

84TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } No. 1474

FEDERAL EXECUTIVE PAY ACT OF 1955

JULY 27, 1955.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. MURRAY of Tennessee, from the Committee on Post Office and Civil Service, submitted the following

R E P O R T

[To accompany H. R. 7619]

The Committee on Post Office and Civil Service, to whom was referred the bill (H. R. 7619) to adjust the rates of compensation of the heads of the executive departments and of certain other officials of the Federal Government, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

STATEMENT

It is the purpose of H. R. 7619 to make a necessary adjustment in the pay of officials in the executive branch of the Government. Almost without exception, the positions covered by this legislation are positions the incumbents of which are named by the President by and with the advice and consent of the Senate.

This legislation was requested by the President in a letter to the chairman of the House Post Office and Civil Service Committee. The President in his letter outlined the general principles which he believed should be followed in making this adjustment in executive salaries.

The President stated in his letter with respect to executive salaries that "the Cabinet rate be increased to a level of \$25,000." With this benchmark as an important guide, this bill organizes the offices, positions, and rates below Cabinet level in such a way as to produce, in proper and logical relationship between responsibilities on the one hand, and salary rates on the other.

It is the view of the committee that H. R. 7619 substantially meets the purposes of the executive pay proposal suggested by the President in his letter, which follows:

THE WHITE HOUSE,
Washington, July 15, 1955.

Hon. TOM MURRAY,
*Chairman, Committee on Post Office and Civil Service,
House of Representatives, Washington, D. C.*

DEAR MR. MURRAY: The Government must provide executive salary rates which will permit able men to lend their talents for substantial periods of time to the conduct of governmental affairs without excessive financial sacrifice. Experience in every kind of endeavor shows that effective top leadership is reflected at every working level of an organization. So vast and complex an establishment as modern government must have the very best leadership. At present, the disparity is far too great between the financial rewards of executive leadership in private industry and the compensation provided for equivalent responsibilities in Government. It is neither necessary nor desirable that the Government compete with industry for its administrators solely on a financial basis. Government has many nonmonetary attractions which will always appeal to public-spirited men and women. Nevertheless, the top pay scales in Government must be improved sufficiently to enable the Nation's most capable men to respond, when they are needed, to the call of public service.

During this session, the Congress has provided a pay increase for its own Members, for members of the judicial branch, and for certain selected positions in the executive branch formerly included under the Executive Pay Act. It has also provided increases for the military, for the postal field service, and for the classified civil service excepting those positions in grade GS-18 of the classified service where statutory ceilings prevented needed adjustments. This pay legislation has been a major accomplishment in the modernization of Federal salary schedules from top to bottom. It is now of vital importance that the pay rates for positions covered by the Executive Pay Act and other related statutes be increased appropriately.

For 35 years the pay for Cabinet members has been 50 to 60 percent higher than the pay of Members of Congress. I have always felt that this differential has been excessive and was pleased when the Members' pay was recently increased. The effect of Public Law 9 was to put congressional pay on the same level as that of Cabinet officers. Rec Establishment of the traditional relationship would require that Cabinet pay be increased from \$22,500 to \$33,750. I consider such an increase to be neither desirable nor necessary and suggest that the Cabinet rate be increased to a level of \$25,000.

Already the Congress has established a pattern for the levels of Under Secretary and Assistant Secretary, for in Public Law 9 the Congress in this session approved a salary of \$21,000 for the Deputy Attorney General and \$20,000 for the Assistant Attorneys General. This pattern was recently reconfirmed by the Senate when it approved S. 2237, providing the same pay levels for the Under Secretary and Assistant Secretaries of State.

Continuing this general pattern, it appears desirable to fix the assistant secretary level throughout the Government at \$20,000 and the same rate for members of boards and commissions.

It is also necessary to provide a progressive relationship between the Executive Pay Act and related rates for the top positions under the pay scales of the Classification Act, the Postal Pay Act, and the Foreign Service Act. This could be provided in the case of the Classification Act, with comparable adjustments in the other pay scales, by raising the maximum pay of grade GS-18 to a level of \$17,500. These suggestions would provide a framework for creating proper relationships between the executive pay area, statutory pay scales and those positions created by special legislative authority.

I believe that revisions in accordance with these suggestions would give proper weight to the responsibilities of these positions, qualifications required for executive performance, and the exacting demands of work and working conditions in the top levels of the Government structure. The proposed pay scales would help to attract and retain the competent administrators and advisers without subjecting them and their families to economic setbacks so great as to outweigh the non-monetary attractions of Government employment. Action along these lines is urgently needed in the interests of Government efficiency, fairness to individuals who devote their exceptional talents to public service in the top rungs of Government, and proper relationship of the various salary scales and systems of the Government.

I earnestly hope that such legislation can be approved by the Congress before this session adjourns.

Sincerely,

(Signed) DWIGHT D. EISENHOWER.

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EXPLANATION OF THE BILL

TITLE I

Title I of the bill, "Basic Compensation for Heads of Executive Departments and other Federal Officials," comprehensively revises the Executive Pay Act of 1949.

The Executive Pay Act of 1949

The Executive Pay Act, Public Law 359, 81st Congress, October 15, 1949, as amended, is the principal statute which sets salary rates (between \$14,800 and \$22,500) for top administrative and other positions in the executive branch, such as heads and assistant heads of departments and agencies.

At the present time, the salary rates of 237 offices or positions are subject to the Executive Pay Act. These are outside the Postal Field Service, the Foreign Service under the State Department, or the Department of Medicine and Surgery of the Veterans' Administration. Top salaries in these three units are set by other statutes.

Most of the 237 Executive Pay Act positions, 213 in number, are in the executive branch. Eleven are in the legislative branch: Comptroller General, Assistant Comptroller General, Public Printer, Deputy Public Printer, Librarian and Chief Assistant Librarian of Congress, Architect and Assistant Architect of the Capitol, chief of staff of the Joint Committee on Internal Revenue Taxation, legislative counsel of the House of Representatives, and legislative counsel of the Senate. Thirteen are in the judicial branch: Director and Assistant Director of the Administrative Office of the U. S. Courts, and 11 (as of June 1, 1955) Commissioners of the United States Court of Claims.

The salary distribution of the 237 positions now covered by the Executive Pay Act is as follows:

\$22,500	10	\$16,000	20	\$13,760	2
20,000	3	15,000	148		
18,000	6	14,800	32	Total	237
17,500	15	14,300	1		

The only change in a major rate under the Executive Pay Act since 1949 has been an \$800 increase for the original \$14,000 group. This was provided by Public Law 375, 82d Congress, June 5, 1952, which raised the salary rate of \$14,000 to \$14,800 to correspond with the increase in the maximum rate of the Classification Act under Public Law 201, 82d Congress.

All the other rates of the Executive Pay Act; i. e., those at \$15,000 or more, have remained unchanged since their original establishment in 1949.

Since 1949 there have been substantial increases in pay for Federal employees generally. Public Law 201, 82d Congress, provided a 10 percent increase, but not less than \$300 per annum nor more than \$800 per annum, in the rates of the Classification Act and related groups. Public Law 94, 84th Congress, provided a 7½ percent increase for the same groups. Substantial increases were made in the salary schedules of the postal field service by Public Law 204, 82d Congress, and Public Law 68, 84th Congress. The salary rates of Members of Congress and of Judiciary were increased effective March 1, 1955, by Public Law 9, 84th Congress.

However, there has been no general change in the levels of salary rates of heads and assistant heads of departments and agencies and related positions in the executive branch. Until recently, there has been no comprehensive approach to revising the Executive Pay Act.

In the meantime, nevertheless, there has been much separate legislation fixing salaries for executive positions outside the Executive Pay Act. Since 1949 about 20 separate acts of Congress and reorganization plans have fixed rates for about 50 comparable positions outside the Executive Pay Act; some of these are heads and assistant heads of recently created organizations.

Also, the Deputy Attorney General (formerly at \$17,500), the the Solicitor General (formerly at \$17,500), and 8 Assistant Attorneys General (formerly \$15,000), were taken out of the Executive Pay Act when Public Law 9, effective March 1, 1955, fixed their pay at \$21,000, \$20,500, and \$20,000, respectively, by direct provision.

The general salary increases that have been authorized for groups in the three branches of the service, the omission of most of the Executive Pay Act group from these salary-increase programs, the amount of separate legislation, special individual provisions, and piecemeal appropriation riders that the Congress has found to be necessary since the 1949 Executive Pay Act, have convinced the committee of the necessity and desirability of promptly revising the Executive Pay Act, bringing it up to date both as to coverage and rates.

Title I of H. R. 7619, the Federal Executives Pay Act of 1955—

(a) Increases the rates of the Executive Pay Act of 1949, and

(b) Brings its content up to date by eliminating references to obsolete or abolished positions and by consolidating or replacing many individual salary-fixing provisions in existing law.

Title I covers 299 positions at an annual cost of \$1,115,000.

A summarized distribution and a detailed listing of these positions according to their present and proposed salary rates are shown in the following tables:

Number of positions included in title I of H. R. 7619, at present salaries and at proposed salaries

Present salaries	Total	\$25,000	\$22,500	\$22,000	\$21,000	\$20,000	\$19,000	\$17,500	\$17,000
\$22,500	11	10	1						
\$20,000	4		3	1					
\$18,000	6			3					
\$17,500	28		3		20		4		1
\$16,000	27			1	1	23	1		1
\$15,000	187					5	177		5
\$14,800	34					1	7	19	7
\$13,975	1						1		
\$13,760	1								1
Total	299	10	7	5	24	20	190	19	15

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Comparison of present and proposed rates of compensation for offices and positions included in H. R. 7619

Title of office or position	Bill section	Per annum rates of compensation	
		Present	H. R. 7619
Secretary of State.....	101	\$22,500	\$25,000
Secretary of Defense.....			
Secretary of the Treasury.....			
Attorney General.....			
Postmaster General.....			
Secretary of the Interior.....			
Secretary of Agriculture.....			
Secretary of Commerce.....			
Secretary of Labor.....			
Secretary of Health, Education, and Labor.....			
Deputy Secretary of Defense.....	102	20,000	22,500
Under Secretary of State.....	102	17,500	22,500
Director, Office of Defense Mobilization.....	102	22,500	22,500
Comptroller General of the United States.....	102	17,500	22,500
Director of the Bureau of the Budget.....	102	17,500	22,500
Secretary of the Army.....	103	18,000	22,000
Secretary of the Navy.....			
Secretary of the Air Force.....	103	20,000	22,000
Director of the Federal Bureau of Investigation, Department of Justice.....			
The Director of Central Intelligence.....	103	16,000	22,000
6 administrative assistants to the President, the Executive Secretary of the National Security Council, and 5 other secretaries or immediate staff assistants in the White House Office.....	104	2 at 20,000	1 22,500
		3 at 18,000	1 21,000
		7 at 15,000	1 19,000
Each Under Secretary of an executive department (other than the Department of State).....	105	17,500	21,000
The Deputy Postmaster General.....			
The Administrator of Veterans' Affairs.....			
The Administrator of General Services.....			
The Administrator of the Housing and Home Finance Agency.....			
The Director of the International Cooperation Administration (formerly Deputy Director, F.O.A.).....			
The Deputy Director of the Office of Defense Mobilization.....			
The Administrator of the Federal Civil Defense Administration.....			
The Chairman of the Renegotiation Board.....			
The Director of the United States Information Agency.....			
The President of the Export-Import Bank of Washington.....	105	17,500	21,000
The Governor of the Farm Credit Administration.....	105	17,500	21,000
The Chairman of the Council of Economic Advisers.....	105	16,000	21,000
The Associate Director of the Federal Bureau of Investigation, Department of Justice.....	105	17,500	21,000
The Assistant Comptroller General of the United States.....	106	16,000	20,000
The Deputy Director of the Bureau of the Budget.....			
The Under Secretary of the Army.....	106	15,000	20,000
The Under Secretary of the Navy.....			
The Under Secretary of the Air Force.....	106	16,000	20,000
The Deputy Administrator of Veterans' Affairs.....			
The Director of the Federal Mediation and Conciliation Service.....			
The Chairman of the United States Civil Service Commission.....			
Each member (other than the Chairman) of the Council of Economic Advisers.....			
Each member of the Board of Governors of the Federal Reserve System.....			
Each member of the Board of Directors of the Federal Deposit Insurance Corporation.....			
The Comptroller of the Currency.....			
Each Deputy Under Secretary of the Department of State.....			
The First Vice President of the Export-Import Bank of Washington.....			
The Chairman of the Federal Maritime Board, Department of Commerce.....	106	16,000	20,000
The Deputy Director of the United States Information Agency.....			
The Deputy Administrator of the Federal Civil Defense Administration.....			
The Deputy Director of the International Cooperation Administration (Reorganization Plan 7, 1953, sec. 1 (d)).....	106	14,800	20,000
The Deputy Director of Central Intelligence.....			
The Assistant to the Director of the Federal Bureau of Investigation, Department of Justice (formerly classified).....	107 (a)	14,800	19,000

1 Not to exceed.

Comparison of present and proposed rates of compensation for offices and positions included in H. R. 7619—Continued

Title of office or position	Bill section	Per annum rates of compensation	
		Present	H. R. 7619
Each Assistant Secretary of an executive department.....	107 (a)	\$15,000	\$19,000
Each Assistant Postmaster General.....			
The Fiscal Assistant Secretary of the Treasury.....			
The Director of the National Advisory Committee for Aeronautics.....			
Each member of the Civil Aeronautics Board.....			
Each member of the Federal Communications Commission.....			
Each member of the Federal Power Commission.....			
Each member of the Federal Trade Commission.....			
Each member of the Interstate Commerce Commission.....			
Each member of the National Labor Relations Board.....			
Each member of the National Mediation Board.....	107 (a)	15,000	19,000
Each member of the Railroad Retirement Board.....			
Each member of the Securities and Exchange Commission.....			
Each member of the Board of Directors of the Tennessee Valley Authority.....			
Each member (other than the Chairman) of the United States Civil Service Commission.....			
Each member of the United States Tariff Commission.....			
The General Counsel of the National Labor Relations Board.....			
The Deputy Administrator of General Services.....			
The Archivist of the United States.....			
The Commissioner of Internal Revenue.....	107 (a)	17,500	19,000
The Commissioner of Immigration and Naturalization.....			
The Commissioner of Public Roads.....			
The Administrator of Civil Aeronautics.....			
The Administrator of the Rural Electrification Administration.....			
The Counselor of the Department of State.....			
The Governor of Alaska.....			
The Governor of Hawaii.....			
The Governor of the Virgin Islands.....			
The Governor of the Canal Zone.....	107 (a)	15,000	19,000
The Public Printer.....			
The Librarian of Congress.....			
The Architect of the Capitol.....			
The President of the Federal National Mortgage Association, Housing and Home Finance Agency.....			
The Deputy Administrator of the Housing and Home Finance Agency.....			
Each member of the Home Loan Bank Board, Housing and Home Finance Agency.....			
The Public Housing Commissioner, Housing and Home Finance Agency.....			
The Federal Housing Commissioner, Housing and Home Finance Agency.....			
Each Assistant Secretary of the Army.....	107 (a)	15,000	19,000
Each Assistant Secretary of the Navy.....			
Each Assistant Secretary of the Air Force.....			
The Special Assistant to the Secretary (Health and Medical Affairs), Department of Health, Education, and Welfare.....			
The Chairman of the Military Liaison Committee to the Atomic Energy Commission, Department of Defense.....			
The Administrator, Bureau of Security and Consular Affairs, Department of State.....			
Each member of the Board of Directors of the Export-Import Bank of Washington.....			
Each member of the Foreign Claims Settlement Commission of the United States.....			
Each member (other than the Chairman) of the Federal Maritime Board, Department of Commerce.....			
Each Assistant Director of the Bureau of the Budget.....	107 (a)	Various	19,000
Each member (other than the Chairman) of the Renegotiation Board.....			
The Administrator, Wage and Hour and Public Contracts Divisions, Department of Labor.....			
The Director of the National Science Foundation.....			
Each member of the Subversive Activities Control Board.....			
The Solicitor, General Counsel, legal adviser or other chief legal officer of each executive department (excluding the Department of Justice).....			
The 10 Assistant Directors, International Cooperation Administration, designated under sec. 1 (d) of Reorganization Plan No. 7 of 1953 and sec. 527 (b) of the Mutual Security Act of 1954, respectively.....			
The Administrator of the St. Lawrence Seaway Development Corporation.....			
The Administrator of the Small Business Administration.....			

Comparison of present and proposed rates of compensation for offices and positions included in H. R. 7619—Continued

Title of office or position	Bill section	Per annum rates of compensation	
		Present	H. R. 7619
The Director of the Administrative Office of the United States Courts.....	107 (b)	\$15,000	\$19,000
The Associate Director of the Federal Mediation and Conciliation Service.....			
The Director of Selective Service.....	108	14,800	17,500
Each Commissioner of the Indian Claims Commission.....			
Each Commissioner of the United States Court of Claims.....			
The Assistant Architect of the Capitol.....			
The Chief Assistant Librarian of Congress.....	109	12,800	17,000
The Deputy Public Printer.....			
The Treasurer of the United States.....	109	14,800	17,000
The Commissioner, Federal Supply Service, General Services Administration.....			
The Director of the Bureau of Prisons, Department of Justice.....	109	14,800	17,000
The Commissioner, Public Buildings Service, General Services Administration.....			
Commissioner of Social Security, Department of Health, Education, and Welfare.....	109	16,000	17,000
The Commissioner of Reclamation, Department of the Interior.....			
The Commissioner of Customs, Department of the Treasury.....	109	15,000	17,000
The Commissioner of Narcotics, Department of the Treasury.....			
The Administrator, Bonneville Power Administration.....	109	14,800	15,200
The Deputy Administrator of the St. Lawrence Seaway Development Corporation.....			
The Director, Division of Slum Clearance and Urban Redevelopment, Housing and Home Finance Agency.....	109	14,800	15,200
The Director of Housing Research, Housing and Home Finance Agency.....			
Each Deputy Administrator, Small Business Administration.....	201	14,800	16,000
Grade GS-18.....	201	Step 1.. 13,975	13,975
Grade GS-17.....		Step 2.. 14,190	14,190
		Step 3.. 14,405	14,405
		Step 4.. 14,620	14,620
		Step 5.. 14,835	14,835
Salary level 20 PFS.....	202	14,800	16,000
Salary level 19 PFS.....		Step 1.. 13,600	14,000
		Step 2.. 13,900	14,300
		Step 3.. 14,200	14,600
		Step 4.. 14,500	14,900
	202	Step 5.. 14,800	15,200
		Step 6..	
		Step 7..	
		Step 1.. 12,500	12,800
		2.. 12,800	13,100
	202	3.. 13,100	13,400
		4.. 13,400	13,700
		5.. 13,700	14,000
		6.. 14,000	14,300
		7.. 14,300	14,600
Chief Medical Director.....	203	16,800	17,800
Deputy Chief Medical Director.....	203	15,800	16,800
Each Assistant Chief Medical Director.....	203	14,800	15,800
Department of Defense, Office of the Secretary (6 positions in the professional and scientific service).	204	10,000 to 15,000	12,500 to 17,500
Department of the Army (13 positions in the professional and scientific service).			
Department of the Navy (13 positions in the professional and scientific service).			
Department of the Air Force (13 positions in the professional and scientific service).			
National Advisory Committee for Aeronautics (10 positions in the professional and scientific service).			
Public Health Service, Department of Health, Education, and Welfare (30 positions in the professional and scientific service).	204	15,000	17,500
Foot and mouth research (5 technical experts or scientists), Department of Agriculture.....			

¹ Not to exceed.

TITLE II. INCREASES IN MAXIMUM LIMITATIONS ON BASIC COMPENSATION UNDER CLASSIFICATION ACT OF 1949 AND OTHER LAWS

Section 201 of this title raises the ceiling of the pay schedules of the General Schedule of the Classification Act of 1949, as amended. The changes are as follows:

1. A salary rate of \$14,835 is added at the end of the present pay scale of GS-17 which now consists of 4 rates. This change restores to five the number of pay rates in this grade. Public Law 94, June 28, 1955, required the reduction of GS-17 to 4 rates in order that the top rate should not overlap GS-18. No change is made in the 4 existing rates of GS-17 and persons now in that grade will not through initial conversion receive a pay increase under the bill. The fifth rate must be earned through length of service according to the usual rules. The effect of the change is to increase the spread in GS-17, that is, the difference between the minimum and the maximum, from \$645 to \$860.

2. The present single \$14,800 rate for GS-18 is increased to a single rate of \$16,000. This is an 8.1 percent increase which would be granted to employees whose positions are in GS-18. The existing rate of \$14,800 for GS-18 was not changed by Public Law 94 which increased the rates of pay for all other grades of the Classification Act. With the exceptions of a few GS-18 positions in the Federal Bureau of Investigation and the General Accounting Office, the Classification Act, as amended, limits to 125 the number of positions that may be in GS-18 under that act.

3. The customary conversion rules are provided for initially applying the changes to employees in grades GS-17 and GS-18.

Section 202 increases the rates of the three highest grades of the postal field service schedule contained in Public Law 68, 84th Congress, approved June 10, 1955, as follows:

Grade	Present range	Proposed range
18.....	\$12,500-\$14,300	\$12,800-\$14,600
19.....	13,600- 14,800	14,000- 15,200
20.....	14,800	16,000

These changes are for the purpose of bringing about a degree of coordination with the new GS-18 classification rate, and to improve the application of the postal field service schedule, to be effected under Public Law 68 not later than 180 days after enactment.

Section 201 (c) of Public Law 68 limits the number of employees that may be at any one time in salary levels 17 to 20 as follows: 40 in level 17, 12 in level 18, 4 in level 19, and 15 in level 20.

Section 203 amends the act of January 3, 1946, as amended, (38 U. S. C. 15) which establishes a Department of Medicine and Surgery in the Veterans' Administration, prescribes its functions, and specifies by title and salary the key positions in the organization.

The amendments made by this title relate only to the positions of the Chief Medical Director, the Deputy Chief Medical Director, and the authorized eight Assistant Chief Medical Directors. The current salaries of these positions are \$16,800, \$15,800, and \$14,800, respectively. The proposed salaries are \$17,800 for the Chief Medical

Director, \$16,800 for the Deputy Chief Medical Director, and \$15,800 for the Assistant Chief Medical Directors.

Section 204 amends several acts of Congress in which, since 1947, Congress has authorized a salary range of from \$10,000 to \$15,000 (in the Department of Agriculture a \$15,000 maximum) for a limited number of professional and scientific positions in research and development activities of specified agencies. The Civil Service Commission must approve in advance the salary rate to be established for each position (except those in Agriculture) and any subsequent changes, within the limits specified by law.

The number of positions authorized in existing law is as follows:

Department of Defense.....	45
5 U. S. C. 171p—Office of Secretary of Defense.....	6
5 U. S. C. 230—Department of the Army.....	13
5 U. S. C. 476—Department of the Navy.....	13
5 U. S. C. 626t—Department of the Air Force.....	13
50 U. S. C. 158—National Advisory Committee for Aeronautics.....	10
42 U. S. C. 210 (g)—U. S. Public Health Service (pending appropriations act, H. R. 5046, would increase number to 60).....	30
21 U. S. C. 113a—Department of Agriculture.....	5
Total.....	90

The purpose of title VII is to raise the \$10,000 to \$15,000 range to \$12,500 to \$17,500 and to prescribe the way in which initial salary adjustments of employees in this group shall be made. Those employees now paid less than \$12,500 would have their salaries raised to that rate automatically. Any subsequent adjustment would be made in the regular manner, i. e., upon recommendation by the agency with the approval of the Civil Service Commission.

With respect to the Department of Agriculture positions, for which the law sets no minimum rate, the purpose of title VII is to raise the maximum limitation from \$15,000 to \$17,500.

TITLE III. GENERAL PROVISIONS

Section 301 (1) repeals the Executive Pay Act, approved October 15, 1949, Public Law 359, 81st Congress, except the provision which established its effective date, and certain substantive subsections which need to be continued.

Section 301 (2) repeals the provision of law which fixes a salary of \$20,000 for the Director of the Federal Bureau of Investigation so long as the position is held by the present incumbent. The bill establishes \$22,000 as the rate for the position.

Section 301 (3) repeals a similar provision of law affecting the \$17,500 salary of the Director of the National Advisory Committee for Aeronautics. The bill fixes the salary for his position at \$19,000.

Section 302 is a saving clause permitting the Director of the Bureau of Prisons to continue to receive \$17,500 a year during his incumbency of that position, as authorized by the Department of Justice Appropriation Act, 1956 (Public Law 133, 84th Cong.).

Section 303 is a general savings clause against reduction of basic compensation as the result of this bill.

Section 304 establishes the effective date as the beginning of the first pay period following enactment.

Estimated annual cost of bill

Title I.....	\$1, 115, 000
Title II:	
Sec. 201.....	150, 000
Sec. 202.....	23, 000
Sec. 203.....	10, 000
Sec. 204.....	225, 000
Total.....	1, 523, 000

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SECTION 105 OF TITLE 3 OF THE UNITED STATES CODE

COMPENSATION OF SECRETARIES AND EXECUTIVE, ADMINISTRATIVE, AND STAFF ASSISTANTS TO PRESIDENT

§ 105. The President is authorized to fix the compensation of the six administrative assistants authorized to be appointed under section 106 of this title, of the Executive Secretary of the National Security Council, and of five other secretaries or other immediate staff assistants in the White House Office, as follows: Two at rates not exceeding **[\$20,000]** *\$22,500* per annum, three at rates not exceeding **[\$18,000]** *\$21,000* per annum, and seven at rates not exceeding **[\$15,000]** *\$19,000* per annum.

THE FIRST SENTENCE OF SECTION 603 OF TITLE 28 OF THE UNITED STATES CODE

§ 603. Salaries

The Director shall receive a salary of **[\$15,000]** *\$19,000* a year.

SECTION 603 (b) OF THE CLASSIFICATION ACT OF 1949, AS AMENDED

(b) The compensation schedule for the General Schedule shall be as follows:

Grade	Per annum rates					
GS-1.....	\$2, 690	\$2, 775	\$2, 860	\$2, 945	\$3, 030	\$3, 115
GS-2.....	2, 960	3, 045	3, 130	3, 215	3, 300	3, 385
GS-3.....	3, 175	3, 260	3, 345	3, 430	3, 515	3, 600
GS-4.....	3, 415	3, 500	3, 585	3, 670	3, 755	3, 840
GS-5.....	3, 670	3, 805	3, 940	4, 075	4, 210	4, 345
GS-6.....	4, 080	4, 215	4, 350	4, 485	4, 620	4, 755
GS-7.....	4, 525	4, 660	4, 795	4, 930	5, 065	5, 200
GS-8.....	4, 970	5, 105	5, 240	5, 375	5, 510	5, 645
GS-9.....	5, 440	5, 575	5, 710	5, 845	5, 980	6, 115
GS-10.....	5, 915	6, 050	6, 185	6, 320	6, 455	6, 590
GS-11.....	6, 390	6, 605	6, 820	7, 035	7, 250	7, 465
GS-12.....	7, 570	7, 785	8, 000	8, 215	8, 430	8, 645
GS-13.....	8, 990	9, 205	9, 420	9, 635	9, 850	10, 065
GS-14.....	10, 320	10, 535	10, 750	10, 965	11, 180	11, 395
GS-15.....	11, 610	11, 880	12, 150	12, 420	12, 690	
GS-16.....	12, 900	13, 115	13, 330	13, 545	13, 760	
GS-17.....	13, 975	14, 190	14, 405	14, 620		
GS-18.....	14, 800					
GS-17.....	13, 975	14, 190	14, 405	14, 620	14, 835	
GS-18.....	16, 000					

**POSTAL FIELD SERVICE SCHEDULE IN SECTION 301 (a) OF THE POSTAL
FIELD SERVICE COMPENSATION ACT OF 1955**

POSTAL FIELD SERVICE SCHEDULE

Level	Per annum rates and steps						
	1	2	3	4	5	6	7
1.....	\$2,880	\$2,980	\$3,080	\$3,180	\$3,280	\$3,380	\$3,480
2.....	3,090	3,195	3,300	3,405	3,510	3,615	3,720
3.....	3,330	3,445	3,560	3,675	3,790	3,905	4,020
4.....	3,660	3,785	3,910	4,035	4,160	4,285	4,410
5.....	3,880	4,005	4,130	4,255	4,380	4,505	4,630
6.....	4,190	4,330	4,470	4,610	4,750	4,890	5,030
7.....	4,530	4,685	4,840	4,995	5,150	5,305	5,460
8.....	4,890	5,060	5,230	5,400	5,570	5,740	5,910
9.....	5,280	5,465	5,650	5,835	6,020	6,205	6,390
10.....	5,800	6,000	6,200	6,400	6,600	6,800	7,000
11.....	6,380	6,600	6,820	7,040	7,260	7,480	7,700
12.....	7,020	7,260	7,500	7,740	7,980	8,220	8,460
13.....	7,730	7,990	8,250	8,510	8,770	9,030	9,290
14.....	8,500	8,780	9,060	9,340	9,620	9,900	10,180
15.....	9,350	9,650	9,950	10,250	10,550	10,850	11,150
16.....	10,300	10,600	10,900	11,200	11,500	11,800	12,100
17.....	11,400	11,700	12,000	12,300	12,600	12,900	13,200
18.....	12,500	12,800	13,100	13,400	13,700	14,000	14,300
19.....	13,600	13,900	14,200	14,500	14,800		
20.....	14,800						
18.....	12,800	13,100	13,400	13,700	14,000	14,300	14,600
19.....	14,000	14,300	14,600	14,900	15,200		
20.....	15,000						

SECTION 3 OF THE ACT OF JANUARY 3, 1946, AS AMENDED

SEC. 3. (a) The Office of the Chief Medical Director shall consist of the Chief Medical Director, one Deputy Chief Medical Director, not to exceed eight Assistant Chief Medical Directors, and such other personnel and employees as may be authorized by this Act.

(b) The Chief Medical Director shall be the Chief of the Department of Medicine and Surgery and shall be directly responsible to the Administrator for the operations of the Department. He shall be a qualified doctor of medicine, appointed by the Administrator. During the period of his service as such, the Chief Medical Director shall be paid a salary of ~~["\$16,000"]~~ \$17,800 a year.

(c) The Deputy Chief Medical Director shall be the principal assistant of the Chief Medical Director. He shall be a qualified doctor of medicine, appointed by the Administrator. During the period of his service as such, the Deputy Chief Medical Director shall be paid a salary of ~~["\$15,000"]~~ \$16,800 a year.

(d) Each Assistant Chief Medical Director shall be appointed by the Administrator upon the recommendation of the Chief Medical Director and shall be paid a salary of ~~["\$13,000 minimum to \$14,000 maximum"]~~ \$16,800 a year: *Provided*, That one Assistant Chief Medical Director shall be a qualified doctor of dental surgery who shall be directly responsible to the Chief Medical Director for the operations of the Dental Service. Not to exceed twenty directors of service or chiefs of division, designated by the Chief Medical Director, shall, within the limitations otherwise proscribed in this Act, be paid a salary of \$11,500 minimum to \$12,500 maximum.

(e) The Director and Deputy Director of Nursing Service shall be qualified registered nurses, appointed by the Administrator and shall be responsible to the Chief Medical Director for the operation of the Nursing Service. During the period of her service as such, the Director of Nursing Service shall be paid a salary of \$10,000 a year and the Deputy Director shall be paid a salary of \$8,800 a year.

(f) The Administrator may appoint a chief pharmacist, a chief dietitian, a chief physical therapist, and a chief occupational therapist. During the period of his service as such, each chief shall be paid a salary of \$8,800 a year.

(g) Any appointment hereinabove provided shall be for a period of four years subject to removal by the Administrator for cause.

(h) Reappointments may be made for successive like periods.

SUBSECTION (C) OF THE FIRST SECTION OF THE ACT OF AUGUST 1, 1947, AS AMENDED

(c) The rates of compensation for positions established pursuant to the provisions of this Act shall not be less than ~~[\$10,000]~~ \$12,500 per annum nor more than ~~[\$15,000]~~ \$17,500 per annum and shall be subject to the approval of the Civil Service Commission.

SECTION 208 (G) OF THE PUBLIC HEALTH SERVICE ACT, AS AMENDED

(g) The Administrator is authorized to establish and fix the compensation for, within the Public Health Service, not more than thirty positions, in the professional and scientific service, each such position being established to effectuate those research and development activities of the Public Health Service which require the services of specially qualified scientific or professional personnel: *Provided*, That the rates of compensation for positions established pursuant to the provisions of this subsection shall not be less than ~~[\$10,000]~~ \$12,500 per annum nor more than ~~[\$15,000]~~ \$17,500 per annum, and shall be subject to the approval of the Civil Service Commission. Positions created pursuant to this subsection shall be included in the classified civil service of the United States, but appointments to such positions shall be made without competitive examination upon approval of the proposed appointee's qualifications by the Civil Service Commission or such officers or agents as it may designate for this purpose.

SECTION 12 OF THE ACT OF MAY 29, 1884, AS AMENDED

SEC. 12. The Secretary of Agriculture is authorized to establish research laboratories, including the acquisition of necessary land, buildings, or facilities, and also the making of research contracts under the authority contained in section 10 (a) of the Bankhead-Jones Act of 1935, as amended by the Research and Marketing Act of 1946, for research and study, in the United States or elsewhere, of foot-and-mouth disease and other animal diseases which in the opinion of the Secretary constitute a threat to the livestock industry of the United States: *Provided*, That no live virus of foot-and-mouth disease may be introduced for any purpose into any part of the mainland of the United States except coastal islands separated therefrom by waters navigable for deep-water navigation and which shall not be connected with the mainland by any tunnel, and except further, that in the event of outbreak of foot-and-mouth disease in this country, the Secretary of Agriculture may, at his discretion, permit said virus to be brought into the United States under adequate safeguards. To carry out the provisions of this section, the Secretary is authorized to employ technical experts or scientists without regard to the Classification Act: *Provided*, That the number so employed shall not exceed five and that the maximum compensation for each shall not exceed ~~[\$15,000]~~ \$17,500 per annum. There is hereby authorized to be appropriated such sums as Congress may deem necessary; in addition, the Secretary is authorized to utilize, in carrying out this section, funds otherwise available for the control or eradication of such diseases.

PUBLIC LAW 359, EIGHTY-FIRST CONGRESS

AN ACT To increase rates of compensation of the heads and assistant heads of executive departments and independent agencies

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That the rate of basic compensation of the head of each executive department and of the Secretary of Defense shall be \$22,500 per annum; the rate of basic compensation of the Deputy Secretary of Defense shall be \$20,000 per annum; and the rate of basic compensation of the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force shall be, respectively, \$18,000 per annum.

[Sec. 2. (a) Section 105 of title 3 of the United States Code is amended to read as follows:

["COMPENSATION OF SECRETARIES AND EXECUTIVE, ADMINISTRATIVE, AND STAFF ASSISTANTS TO PRESIDENT

["§ 105. The President is authorized to fix the compensation of the six administrative assistants authorized to be appointed under section 106 of this title, of the Executive Secretary of the National Security Council, and of five other secretaries or other immediate staff assistants in the White House Office as follows: Two at rates not exceeding \$20,000 per annum, three at rates not exceeding \$18,000 per annum, and seven at rates not exceeding \$15,000 per annum."]

(b) The first sentence of section 106 of title 3 of the United States Code is amended to read as follows: "The President is authorized to appoint not to exceed six administrative assistants and to fix their compensation in accordance with section 105 of this title."

[Sec. 3. The rate of basic compensation of each Under Secretary of an executive department, the Deputy Postmaster General, the Assistant to the Attorney General, the Solicitor General of the United States, the Comptroller General of the United States, the Director of the Bureau of the Budget, the Chairman of the National Security Resources Board, the Federal Security Administrator, the Administrator of Veterans' Affairs, the Administrator of General Services, and the Housing and Home Finance Administrator shall be \$17,500 per annum.

[Sec. 4. The rate of basic compensation of the Chairman of the Munitions Board, the Chairman of the Research and Development Board, the Assistant Comptroller General of the United States, the Assistant Director of the Bureau of the Budget, the Deputy Administrator of Veterans' Affairs, the Director of Central Intelligence, the Federal Mediation and Conciliation Director, the Director of the Federal Bureau of Investigation, the Chairman of the Civil Service Commission, the Chairman of the Board of Directors of the Export-Import Bank of Washington, the Chairman of the Board of Directors of the Reconstruction Finance Corporation, the Chairman of the United States Maritime Commission, members of the Council of Economic Advisers, members of the Board of Governors of the Federal Reserve System, and members of the Board of Directors of the Federal Deposit Insurance Corporation (including the Comptroller of the Currency) shall be \$16,000 per annum.

[Sec. 5. (a) The rate of basic compensation of the Assistant Federal Security Administrator, the Director of Aeronautical Research of the National Advisory Committee for Aeronautics, members of the Civil Aeronautics Board, members of the Federal Communications Commission, members of the Federal Power Commission, members of the Federal Trade Commission, members of the Interstate Commerce Commission, members of the National Labor Relations Board, members of the National Mediation Board, members of the Railroad Retirement Board, members of the Securities and Exchange Commission, members of the Board of Directors of the Tennessee Valley Authority, members (other than the Chairman) of the Civil Service Commission, members of the United States Tariff Commission, the General Counsel of the National Labor Relations Board, the Deputy Administrator of General Services, the Archivist of the United States, each Assistant Secretary of an executive department (including the Fiscal Assistant Secretary of the Treasury and the Deputy Under Secretaries of State), each Assistant Attorney General, each Assistant Postmaster General, the Assistant Solicitor General of the United States, the Counselor of the Department of State, the Philippine Alien Property Administrator, members (other than the Chairman) of the Board of Directors of the Export-Import Bank of Washington, members (other than the Chairman) of the Board of Directors of the Reconstruction Finance Corporation, members (other than the Chairman) of the United States Maritime Commission, the Administrator of the Production and Marketing Administration, the Commissioner of Internal Revenue, the Commissioner of Public Roads, the Commissioner of Immigration and Naturalization, the Administrator of Civil Aeronautics, the Administrator of the Rural Electrification Administration, the Governors of Alaska, Hawaii, the Virgin Islands, and the Panama Canal, the Chief of Staff of the Joint Committee on Internal Revenue Taxation, the Public Printer, the Librarian of Congress, and the Architect of the Capitol shall be \$15,000 per annum.

(b) The first sentence of section 603 of title 28 of the United States Code (relating to the salary of the Director of the Administrative Office of the United States Courts) is amended to read as follows:

"The Director shall receive a salary of \$15,000 a year."

[Sec. 6. (a) The rate of basic compensation of the Housing Expediter, the Director of the Bureau of Federal Supply, the Director of Selective Service, members of the Displaced Persons Commission, members of the Indian Claims

Commission, members of the War Claims Commission, members of the Philippine War Damage Commission, the Associate Federal Mediation and Conciliation Director, the Deputy Director of Central Intelligence, the Director of the Bureau of Prisons, the Commissioner of Public Buildings, the Commissioner of Community Facilities, the Commissioner for Social Security, the Commissioner of Reclamation, the Chief of the Soil Conservation Service, the Commissioner of Customs, the Commissioner of Narcotics, the Governor of the Farm Credit Administration, the Chief Forester of the Forest Service, the Administrator of the Farmers Home Administration, the Manager of the Federal Crop Insurance Corporation, the Associate Director of the Federal Bureau of Investigation, the Commissioners of the United States Court of Claims, the Assistant Architect of the Capitol, the Chief Assistant Librarian of Congress, and the Deputy Public Printer shall be \$14,000 per annum.]

(b) The second sentence of section 603 of title 28 of the United States Code (relating to the compensation of the Assistant Director of the Administrative Office of the United States Courts) is amended to read as follows: "The Assistant Director shall receive a salary of \$12,500 a year."

(c) The rate of compensation of the Legislative Counsel of the House of Representatives and of the Legislative Counsel of the Senate shall be \$12,000 per annum.

(d) The second sentence of section 30 of the Act of May 24, 1924, as amended (U. S. C., title 5, sec. 152a), relating to the appointment and compensation of the Legal Adviser of the Department of State, is amended to read as follows: "The legal adviser shall be appointed by the President, by and with the advice and consent of the Senate."

[SEC. 7. The applicable appropriation for the fiscal year ending June 30, 1950, shall be available for payment of compensation at the rate established for any position by or pursuant to this Act unless it is specifically provided that such appropriation shall not be available for such purpose.

[SEC. 8. The head of each department or independent agency in the executive branch of the Government, having personnel subject to the provisions of this Act, is authorized and directed to absorb the increased costs during the fiscal year 1950 resulting from the enactment of this Act within any unobligated or unexpended balances in appropriations available to such department or independent agency. This section shall not apply to any agency with respect to which the Director of the Bureau of the Budget shall certify that absorption of such increased costs would impair the proper performance of its functions.]

SEC. 9. This Act shall take effect on the first day of the first pay period which begins after the date of enactment of this Act.

THE DEPARTMENTS OF STATE AND JUSTICE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION ACT, 1956

TITLE II—DEPARTMENT OF JUSTICE

* * * * *

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

For expenses necessary for the detection and prosecution of crimes against the United States; protection of the person of the President of the United States; acquisition, collection, classification and preservation of identification and other records and their exchange with the duly authorized officials of the Federal Government, of States, cities, and other institutions; and such other investigations regarding official matters under the control of the Department of Justice and the Department of State as may be directed by the Attorney General, including purchase (not to exceed three hundred for replacement only) and hire of passenger motor vehicles; purchase at not to exceed \$10,000, for replacement only, of one armored motor vehicle; firearms and ammunition; not to exceed \$10,000 for taxicab hire to be used exclusively for the purposes set forth in this paragraph; not to exceed \$4,500 for expenses of attendance at meetings of organizations concerned with the purposes of this appropriation; payment of rewards; and not to exceed \$70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General, and to be accounted for solely on his

certificate; \$88,000,000[: *Provided*, That the compensation of the Director of the Bureau shall be \$20,000 per annum so long as the position is held by the present incumbent].

INDEPENDENT OFFICES APPROPRIATION ACT, 1956

TITLE I—INDEPENDENT OFFICES

* * * * *

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

Salaries and expenses: For necessary expenses of the Committee, including [one Director at not to exceed \$17,500 per annum so long as the position is held by the present incumbent;] contracts for the making of special investigations and reports and for engineering, drafting and computing services; equipment; not to exceed \$330,000 for expenses of travel; maintenance and operation of aircraft; purchase of ten passenger motor vehicles for replacement only; not to exceed \$100 for newspapers and periodicals; uniforms or allowances therefor, as authorized by the Act of September 1, 1954 (68 Stat. 1114); and services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); \$60,135,000.

○

Sounders

84TH CONGRESS } HOUSE OF REPRESENTATIVES } REPORT
1st Session } } No. 857

FEDERAL EMPLOYEES SALARY INCREASE ACT OF 1955

JUNE 16, 1955.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. MURRAY of Tennessee, from the Committee on Post Office and Civil Service, submitted the following

REPORT

[To accompany S. 67]

The Committee on Post Office and Civil Service, to whom was referred the bill (S. 67) to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

AMENDMENT

The amendment made by the committee strikes out all of the Senate bill after the enacting clause and inserts in lieu thereof a substitute text which appears in the reported bill in italic type. An explanation of the provisions of the committee amendment is contained in the section-by-section analysis of the bill, as reported.

STATEMENT

The purpose of this legislation, as amended by the committee, is to increase by 7½ percent per annum the rates of compensation of certain officers and employees of the Federal Government (excluding employees in the field service of the Post Office Department and so-called wage-board employees).

The legislation will increase the annual compensation of approximately 1,073,262 Federal employees in the executive, legislative, and judicial branches of the Government. Specifically, these employees are—

(a) employees whose positions are subject to the Classification Act of 1949, as amended;

(b) officers and employees in or under the judicial branch of the Government;

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- (c) court reporters for Federal district courts;
- (d) secretaries and law clerks of circuit and district judges;
- (e) officers and employees in or under the legislative branch of the Government (including reporters of debates and their employees);
- (f) elected officers and certain appointive officers and employees of the Senate and House of Representatives (except the presiding officers);
- (g) officers and employees in the Department of Medicine and Surgery in the Veterans' Administration;
- (h) employees in the Foreign Service of the United States under the Department of State.

The bill will also (1) authorize comparable increases to employees whose salaries are set by administrative action, such as employees of the TVA; (2) raise the limit on salaries which may be paid to officers and employees of the Central Bank for Cooperatives, or any production credit corporation, production credit association, or bank for cooperatives, to permit giving employees of these organizations raises comparable to those received by other Federal employees under this bill; (3) make the increases in rates of basic compensation effective retroactive to the beginning of the first pay period commencing after February 28, 1955; (4) maintain the present ceiling of \$14,800 above which no salary may be raised by reason of this enactment; (5) restrict the salary for employees of the legislative branch (except those whose salaries are specifically set by law) to the same rate as the maximum provided under the Classification Act of 1949, as amended; (6) provide for an adjustment in the salaries of employees transferred from the CPC schedules (crafts, protective, custodial) to wage board salary schedules to take into consideration the increases provided under this bill; (7) provide comparable salary increases for the "savings cases" (those drawing salaries over the top salary rate for their grade); (8) provide for a proportionate payment of the salary increase due for work performed during the retroactive period to employees who retired or to the estate of employees who died during the retroactive period; and (9) consolidate all authority for grades 16, 17, and 18 of the general schedule, repeal extraneous laws giving separate authority to place positions in such grades, and require allocations and classifications of positions to such grades to have the approval of a majority of the Civil Service Commissioners.

The salary increases provided in the legislation are permanent, are subject to retirement deductions, and will be taken into consideration in computing overtime and night differential pay and in determination of group life insurance.

The total cost of the pay increases provided for by the legislation will be approximately \$326,000,000 annually.

The following table shows the coverage of the legislation, the number of employees affected, and the estimated increased annual cost resulting from the enactment of the legislation:

FEDERAL EMPLOYEES SALARY INCREASE ACT OF 1955 3

Number of employees affected and the increased annual cost of pay increase provisions of S. 67 (7½ percent rounded on all steps)

Bill section	Coverage	Number of employees	Increased annual cost
2 (a)-----	Classification Act of 1949, as amended.....	983,057	\$308,669,000
3 (a) (b)-----	Officers and employees in or under the judicial branch.....	3,296	1,072,000
3 (c)-----	Court reporters for district courts.....	240	99,000
4-----	Officers and employees in or under the legislative branch.....	4,957	2,020,000
6-----	Officers and employees in the Department of Medicine and Surgery paid under Public Law 293, 79th Cong., as amended.....	20,029	8,888,000
7-----	Officers and employees paid under secs. 412 and 415 of the Foreign Service Act of 1946, as amended.....	9,683	4,850,000
8 (a)-----	Officers and employees whose rates of pay are fixed by administrative action pursuant to law.....	¹ 52,000	(²)
	Total.....	1,073,262	325,598,000

¹ Very approximate.

² Since this section is permissive in application and the extent and amounts of salary adjustments thereunder cannot be forecast, it is impossible to estimate the increased annual cost.

The committee conducted extensive hearings with respect to the problem of granting increases in the compensation of all Federal employees. Testimony was received from the Civil Service Commission, the Bureau of Labor Statistics of the Department of Labor, and representatives of national employees' organizations. It was unanimously agreed that there was ample justification for an increase in the compensation of Federal employees. The only difference of opinion was regarding the amount of such increase and the formula to be used in applying it to existing pay rates.

The Civil Service Commission sent to the Speaker of the House on January 26, 1955, a draft of legislation which would have provided an average increase of 4.9 percent. Following action on postal employees' pay representing a substantially larger increase for postal employees than originally proposed by the administration, the chairman of the committee received a report indicating that a higher increase for classified employees than originally recommended would not be disapproved.

There is a consensus of opinion that the classified employees should have the same salary increase as that given postal employees by Public Law 68 of the 84th Congress. Under Public Law 68, postal employees received a 6-percent increase of their basic salary, retroactive to March 1, 1955, and within 6 months will receive a salary adjustment upon conversion into new salary schedules amounting on an average to 2.1 percent of payroll. It is recognized by the committee that all postal employees would not receive the total increases in the bill amounting to 8.1 percent. However, it is also pointed out by the committee that some of the increases resulting from conversion into the schedules will result in pay increases not entirely attributable to reclassification.

The committee had presented to it a number of proposals which would have readjusted Federal employees' salaries by schedules providing various rate increases. These rate increases would have varied from 4.9 to 10 percent. As a means of compromise, however, the committee decided to provide a salary increase for all Federal employees under this bill of 7½ percent retroactive to the beginning of the first pay period commencing after February 28, 1955. It was the view of the committee that the 7½ percent increase for Federal employees retroactive for the whole period, that is, from the begin-

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ning of the first pay period commencing after February 28, 1955, was a fair and adequate comparison between salary increases given postal employees.

INCREASE IN COST OF LIVING

One of the major factors in recommending the salary increases was the increase in the cost of living. On July 1, 1951, the effective date of the last salary increase, the cost of living index of the Bureau of Labor Statistics was 110.9; in January 1955 the index was 114.3. This represents an increase of 3.4 points, or 3.07 percent. S. 67, as reported by this committee, grants a minimum increase of 7.5 percent to every employee covered in the bill.

While the salary increase of 7½ percent is substantially more than the increase in the rise in the cost of living since the last pay raise, it was the view of the committee that it was necessary to provide the employees an increase in their real wages and to permit them to enjoy, along with millions of other workers throughout the country, a general rise in their standard of living.

RECENT PAY INCREASES FOR CLASSIFIED FEDERAL EMPLOYEES

1. Effective July 1, 1945, under Public Law 106, 79th Congress, Federal employees received a pay increase as follows: 20 percent on the first \$1,200, 10 percent on the next \$3,400, and a 5 percent on the remainder, subject to a \$10,000 ceiling. The average increase was 15.9 percent. (Range from 20 to 8.9 percent.)

2. Effective July 1, 1946, under Public Law 390, 79th Congress, Federal employees received increases as follows: a 14 percent increase with a minimum of \$250, subject to a \$10,000 ceiling. Average increase was 14.2 percent. (Range from 25 to 2 percent at ceiling.)

3. Effective June 30, 1948, under Public Law 900, 80th Congress, Federal employees received an increase annually of \$330. Average increase was 11 percent. (Range from 30.6 to 3.3 percent.)

4. Effective October 28, 1949, under Public Law 429, 81st Congress (Classification Act of 1949), Federal employees received pay increases averaging \$140 annually. Individual increases ranged from 7.1 to 6.5 percent and the overall salary average under the Classification Act of 1949 was increased by 4 percent. Three additional grades were created: GS-16, \$11,200; GS-17, \$12,200; GS-18, \$14,000.

5. Effective on the first day of the first pay period beginning after June 30, 1951, under Public Law 201, 82d Congress, approved October 24, 1951, Federal employees received a 10 percent increase with a \$300 minimum and an \$800 maximum annually. Increase ranged from 19.8 to 5.7 percent. Average increase 10 percent.

FEDERAL EMPLOYEES SALARY INCREASE ACT OF 1955

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Present and proposed pay scales of the Classification Act of 1949, as amended

(The top line opposite each grade number shows the proposed rates. The second line shows the rates currently in effect. The third line shows the amount of the proposed increase for each scheduled rate of the grade.)

GENERAL SCHEDULE

Grade	Basic pay rates						
1.....	\$2,600	\$2,775	\$2,860	\$2,945	\$3,030	\$3,115	\$3,200
	2,500	2,580	2,660	2,740	2,820	2,900	2,980
	190	195	200	205	210	215	220
2.....	2,955	3,040	3,125	3,210	3,295	3,380	3,465
	2,750	2,830	2,910	2,990	3,070	3,150	3,230
	205	210	215	220	225	230	235
3.....	3,170	3,255	3,340	3,425	3,510	3,595	3,680
	2,950	3,030	3,110	3,190	3,270	3,350	3,430
	220	225	230	235	240	245	250
4.....	3,415	3,500	3,585	3,670	3,755	3,840	3,925
	3,175	3,255	3,335	3,415	3,495	3,575	3,655
	240	245	250	255	260	265	270
5.....	3,665	3,800	3,935	4,070	4,205	4,340	4,475
	3,410	3,535	3,660	3,785	3,910	4,035	4,160
	255	265	275	285	295	305	315
6.....	4,080	4,215	4,350	4,485	4,620	4,755	4,890
	3,795	3,920	4,045	4,170	4,295	4,420	4,545
	285	295	305	315	325	335	345
7.....	4,520	4,655	4,790	4,925	5,060	5,195	5,330
	4,205	4,330	4,455	4,580	4,705	4,830	4,955
	315	325	335	345	355	365	375
8.....	4,965	5,100	5,235	5,370	5,505	5,640	5,775
	4,620	4,745	4,870	4,995	5,120	5,245	5,370
	345	355	365	375	385	395	405
9.....	5,440	5,575	5,710	5,845	5,980	6,115	6,250
	5,060	5,185	5,310	5,435	5,560	5,685	5,810
	380	390	400	410	420	430	440
10.....	5,915	6,050	6,185	6,320	6,455	6,590	6,725
	5,500	5,625	5,750	5,875	6,000	6,125	6,250
	415	425	435	445	455	465	475
11.....	6,385	6,600	6,815	7,030	7,245	7,460	7,675
	5,940	6,140	6,340	6,540	6,740	6,940	7,140
	445	460	475	490	505	520	535
12.....	7,570	7,785	8,000	8,215	8,430	8,645	8,860
	7,040	7,240	7,440	7,640	7,840	8,040	8,240
	530	545	560	575	590	605	620
13.....	8,985	9,200	9,415	9,630	9,845	10,060	10,275
	8,300	8,560	8,760	8,960	9,160	9,360	9,560
	625	640	655	670	685	700	715
14.....	10,320	10,535	10,750	10,965	11,180	11,395	11,610
	9,600	9,800	10,000	10,200	10,400	10,600	10,800
	720	735	750	765	780	795	810
15.....	11,610	11,880	12,150	12,420	12,690	12,960	13,230
	10,800	11,050	11,300	11,550	11,800	12,050	12,300
	810	830	850	870	890	910	930
16.....	12,900	13,115	13,330	13,545	13,760	13,975	14,190
	12,000	12,200	12,400	12,600	12,800	13,000	13,200
	900	915	930	945	960	975	990
17.....	13,975	14,190	14,405	14,620	14,835	15,050	15,265
	13,000	13,200	13,400	13,600	13,800	14,000	14,200
	975	990	1,005	1,020	1,035	1,050	1,065
18.....	14,800						
	14,800						
	0						

NOTE.—7½ percent across the board. (7½ percent on minimum rates and step-increases rounded to nearest \$5, counting \$2.50 and over as \$5.)

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Present and proposed pay scales of the Classification Act of 1949, as amended—Con.

(The top line opposite each grade number shows the proposed rates. The second line shows the rates currently in effect. The third line shows the amount of the proposed increase for each scheduled rate of the grade.)

CRAFTS, PROTECTIVE, AND CUSTODIAL SCHEDULE

Grade	Basic pay rates						
1	\$1,945	\$2,010	\$2,075	\$2,140	\$2,205	\$2,270	\$2,335
	1,810	1,870	1,930	1,990	2,050	2,110	2,170
	135	140	145	150	155	160	165
	2,600	2,675	2,750	2,825	2,900	2,975	3,050
2	2,420	2,490	2,560	2,630	2,700	2,770	2,840
	180	185	190	195	200	205	210
	2,745	2,830	2,915	3,000	3,085	3,170	3,255
3	2,552	2,632	2,712	2,792	2,872	2,952	3,032
	193	198	203	208	213	218	223
	2,955	3,040	3,125	3,210	3,295	3,380	3,465
4	2,750	2,830	2,910	2,990	3,070	3,150	3,230
	205	210	215	220	225	230	235
	3,200	3,285	3,370	3,455	3,540	3,625	3,710
5	2,974	3,054	3,134	3,214	3,294	3,374	3,454
	226	231	236	241	246	251	256
	3,440	3,525	3,610	3,695	3,780	3,865	3,950
6	3,200	3,280	3,360	3,440	3,520	3,600	3,680
	240	245	250	255	260	265	270
	3,695	3,805	3,915	4,025	4,135	4,245	4,355
7	3,435	3,535	3,635	3,735	3,835	3,935	4,035
	260	270	280	290	300	310	320
	4,020	4,155	4,290	4,425	4,560	4,695	4,830
8	3,740	3,865	3,990	4,115	4,240	4,365	4,490
	280	290	300	310	320	330	340
	4,460	4,595	4,730	4,865	5,000	5,135	5,270
9	4,150	4,275	4,400	4,525	4,650	4,775	4,900
	310	320	330	340	350	360	370
	4,905	5,040	5,175	5,310	5,445	5,580	5,715
10	4,565	4,690	4,815	4,940	5,065	5,190	5,315
	340	350	360	370	380	390	400

SECTION-BY-SECTION ANALYSIS OF THE BILL, AS REPORTED

SHORT TITLE

The first section of the bill supplies a short title for the proposed salary increase law for officers and employees of the Federal Government by providing that such proposed law may be cited as the "Federal Employees Salary Increase Act of 1955."

OFFICERS AND EMPLOYEES SUBJECT TO CLASSIFICATION ACT OF 1949

Section 2 of the bill provides increases in the rates of basic compensation of officers and employees subject to the Classification Act of 1949, as amended. Such section also contains provisions for certain initial adjustments in the rates of basic compensation of such officers and employees.

1. *Increases in rates of basic compensation for officers and employees subject to Classification Act of 1949*

The method used in constructing the new general schedule and the new crafts, protective, and custodial schedule of the Classification Act of 1949 is as follows:

(a) The minimum rate of each grade is increased 7.5 percent and the resulting figure rounded off to the nearest \$5, \$2.50 or over being considered as \$5 for this purpose;

(b) Each salary step increase within the grades is also increased 7.5 percent and rounded off in the same manner; and

(c) The augmented step increases are then added in order, beginning with the minimum rates of the appropriate grades, to produce the remaining scheduled rates of the grades.

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This method results in an almost uniform 7.5 percent increase on each rate, and at the same time retains uniformity of step increases within each grade.

The present ceiling in the Classification Act of 1949 of a flat rate of \$14,800 in grade GS-18 is continued. In order to avoid lifting the GS-17 pay range above the GS-18 rate of \$14,800, the maximum rate of GS-17 is fixed at \$14,620, thus making GS-17 a 4-rate grade instead of a 5-rate grade as at present.

2. General rules for initial adjustment of increases in rates of basic compensation for officers and employees subject to Classification Act of 1949

Subsection (b) of section 2 of the bill sets forth certain rules for determining the initial adjustment of the rates of the officers and employees to whom section 2 applies made necessary by reason of the increases provided in subsection (a) of section 2.

Paragraph (1) of subsection (b) provides that an officer or employee who immediately prior to the effective date of section 2 is receiving basic compensation at one of the scheduled longevity rates of a grade in the general schedule or the crafts, protective, and custodial schedule of the Classification Act of 1949, as amended, shall receive a rate of basic compensation at the corresponding scheduled or longevity rate in effect on and after the effective date of section 2. This rule is the one applicable in the case of the majority of officers and employees and an illustration of its operation is as follows: If employee A is in the seventh step of grade 9 of the general schedule immediately prior to the effective date of section 2 and thus receiving basic compensation at the rate of \$5,810 per annum, the operation of paragraph (1) would result in employee A receiving, after the effective date of section 2, basic compensation at the rate of \$6,250 per annum, the rate provided in the bill for the seventh step of grade 9 of the general schedule.

It should be noted that grade 17 of the general schedule contains 5 steps prior to the effective date of section 2, but will contain only 4 steps after the effective date. Thus this rule will operate to require that those officers and employees who, prior to the effective date, are in positions in steps 4 and 5 of grade 17, will receive compensation after the date of enactment at the corresponding rate, which in this case is step 4.

Paragraph (2) provides that an officer or employee who, immediately prior to the effective date of section 2, is receiving basic compensation at a rate between 2 scheduled or longevity rates, or between a scheduled and a longevity rate, of a grade in the general schedule or the crafts, protective, and custodial schedule, shall receive a rate of basic compensation at the higher of the 2 corresponding rates in effect on and after the effective date of section 2. An example of the operation of the rule is as follows: If employee B in grade 5 of the general schedule is receiving, immediately prior to the effective date of section 2, basic compensation at the rate of \$3,810 per annum, which is a rate of compensation that falls between the fourth step of grade 5 at \$3,785, and the fifth step of grade 5 at \$3,910, employee B will receive, as a result of the operation of paragraph (2), basic compensation after the effective date of section 2 at the rate of \$4,205, which is the higher of the 2 corresponding rates which are in effect—that is, \$4,070 for the fourth step of grade 5, and \$4,205 for the fifth step of grade 5 of the general schedule.

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Paragraph (3) provides that an officer or employee (other than one subject to par. (4) of this subsection) who, immediately prior to the effective date of this act, is receiving basic compensation at a rate in excess of the maximum longevity rate of his grade, or if there is no longevity rate for his grade, in excess of the maximum scheduled rate of his grade, shall receive basic compensation at a rate equal to the rate which he was receiving immediately prior to the effective date of this section increased by an amount equal to the amount of the increase made by this section in the maximum longevity rate, or the maximum scheduled rate, as the case may be, of his grade. The officer or employee will continue to receive this increased amount until he either leaves that position, or becomes entitled to receive basic compensation at a higher rate by reason of the operation of the Classification Act of 1949, as amended. Paragraph (3) further provides that if the position for which the basic compensation is determined under this act becomes vacant, any subsequent appointee thereto shall receive basic compensation fixed in accordance with the Classification Act of 1949, as amended. An example of the operation of this paragraph (3) is as follows: If employee C in grade 9 of the general schedule, immediately prior to the effective date of this section is receiving basic compensation at \$6,200, a rate which is in excess of the maximum longevity rate of \$6,185 for grade 9, employee C will receive, as a result of the operation of paragraph (3), after the effective date of section 2, basic compensation at the rate of \$6,670 or an increase of \$470, the amount of the increase in the maximum longevity rate of grade 9. The amount of this increase of \$470 is determined by the difference between \$6,185 the maximum longevity rate of grade 9 before the effective date of section 2, and \$6,655 the maximum longevity rate of grade 9 after the effective date of section 2. Employee C will receive this rate of basic compensation of \$6,670 until he either leaves that position or he becomes entitled to an increase by reason of the operation of the Classification Act of 1949, as for instance, if he receives a promotion. Further, if employee C does leave that position, a subsequent appointee to it would not receive the rate of \$6,670, but rather whatever rate the operation of the Classification Act of 1949 would require.

Paragraph (4) provides that an officer or employee who, immediately prior to the effective date of section 2, is receiving an existing aggregate rate of compensation determined under section 208 (b) of the Federal Employees Pay Act Amendments of 1954, approved September 1, 1954 (Public Law 763, 83d Cong.), shall receive, after the effective date of section 2, an aggregate rate of compensation equal to such existing aggregate rate increased by an amount equal to the amount of the increase made by this section in the maximum longevity rate of his grade. The officer or employee will continue to receive this increased amount until he leaves that position or is entitled to receive aggregate compensation at a higher rate by reason of the operation of any other provision of law. When the position becomes vacant, however, any subsequent appointee shall receive aggregate compensation fixed in accordance with applicable provisions of law. Paragraph (4) further provides that the amount of the increase made by this paragraph shall be held and considered to constitute a part of the existing aggregate compensation of the officer or employee for the purposes of section 208 (b) of the act of September 1, 1954. An

example of the operation of paragraph (4) is as follows: If employee D in grade 6 of the crafts, protective, and custodial schedule, immediately prior to the effective date of this section is receiving an existing aggregate rate of compensation saved to him by operation of section 208 (b) of the act of September 1, 1954, at \$4,882, employee D will receive, as a result of the operation of paragraph (4), after the effective date of section 2, existing aggregate compensation for the purpose of section 208 (b) of the act of September 1, 1954, at the rate of \$5,167 or an increase of \$285, the amount of the increase in the maximum longevity rate of grade 6. The amount of the increase of \$285 is determined by the difference between \$3,920 the maximum longevity rate of grade 6 before the effective date of section 2, and \$4,205, the maximum longevity rate of grade 6 after the effective date of section 2. Employee D will receive this rate of existing aggregate compensation of \$5,167 until he either leaves that position or he becomes entitled to receive aggregate compensation at a higher rate by reason of the operation of any other provision of law. Further if employee D does leave that position, a subsequent appointee to it would not receive the rate of \$5,167, but rather whatever rate the operation of the applicable provisions of law would require.

Paragraph (5) provides that an officer or employee who, immediately prior to the effective date of section 2, was in a position for which the rate of compensation is fixed under section 603 (c) (2) of the Classification Act of 1949, as amended (which section sets the rate of basic compensation for charwomen and head charwomen, working part-time), at a rate in excess of the rate provided for the position by such section, shall receive basic compensation at a rate equal to the rate which he received immediately prior to such effective date, increased by an amount equal to the amount of the increases made by this section for that position, until he leaves such position. When such position becomes vacant, a subsequent appointee shall receive basic compensation at the rate fixed by section 603 (c) (2) of the Classification Act of 1949, as amended. An example of the operation of paragraph (5) is as follows: If employee E, a part-time charwoman, is receiving compensation at the rate of \$3,000 immediately prior to the effective date, a rate in excess of the rate provided for part-time charwomen in section 603 (c) (2) which is \$2,700, employee E will receive, as a result of the operation of paragraph (5), after the effective date of section 2, compensation at the rate of \$3,200 or an increase of \$200, the amount of the increase made by this section in the rate for the position of part-time charwomen. The amount of this increase of \$200 is determined by the difference between \$2,700, the rate for part-time charwomen prior to the effective date of section 2, and \$2,900, the rate for part-time charwomen after the effective date of section 2. Employee E will receive this rate of \$3,200 until she leaves the position. Further, if employee E does leave that position, a subsequent appointee to it would not receive that rate of \$3,200, but would receive \$2,900, the rate provided by section 603 (c) (2) of the Classification Act of 1949, as amended.

3. Special initial salary adjustment for officers and employees transferred with or without their positions from purview of Classification Act of 1949 to prevailing rate schedules during certain past periods

Subsection (c) of section 2 of the bill provides for the initial adjustment, under certain circumstances, of the rate of basic compensation of—

(1) each officer or employee who has been transferred with his position under authority of the Classification Act of 1949 (including the amendments to and modifications in such act contained in title I of the act of September 1, 1954, Public Law 763, 83d Cong., relating to fringe employment benefits) at any time during the period beginning on January 1, 1952, and ending on the date of enactment of the bill, from the purview of the crafts, protective, and custodial schedule or the general schedule of the Classification Act of 1949 to a prevailing rate schedule—that is, to a so-called wage board schedule; and

(2) each officer or employee who transferred or was transferred, at any time during the retroactive period beginning as of the first day of the first pay period which began after February 28, 1955, and ending on the date of enactment of the bill, from a position subject to the Classification Act of 1949 to a position subject to a prevailing rate schedule.

Such subsection (c) will not apply unless the officer or employee at all times subsequent to such transfer was on an employment roll of the Federal Government or of the municipal government of the District of Columbia or in the service of the Armed Forces of the United States, without any break of more than 30 consecutive calendar days in the time on the employment rolls or in the time in the service of the Armed Forces. However, in the case of an individual who is relieved from training and service in the Armed Forces of the United States or who is discharged from hospitalization following such training and service, the break in service shall not exceed a period equal to the period provided by section 9 of the Universal Military Training and Service Act (50 App. U. S. C., sec. 459) for the mandatory restoration of such individual to a position in or under the Federal Government or the municipal government of the District of Columbia—that is, 90 days in the case of relief from such training and service or 90 days after relief from not more than 1 year of hospitalization following such training and service.

It is provided, in effect, in such subsection (c) that the subsection will not apply (1) unless, on the date of enactment of the bill, the officer or employee is being paid under a prevailing rate schedule and (2) unless the rate of basic compensation of the officer or employee is less on such date of enactment than the rate to which he would have been entitled on such date of enactment if the transfer had not occurred. However, it should be noted that such officer or employee will not be entitled to an adjustment of his rate of basic compensation under subsection (c) if on the date of enactment of the bill he is receiving a lesser rate by reason of an adverse personnel action resulting from his own fault.

It is further provided in subsection (c) that an officer or employee who satisfies the requirements of such subsection shall be paid basic compensation at a rate equal to the rate which he would have been receiving on the date of enactment of the bill if the transfer had not occurred until the day immediately following such date of enactment.

Three additional qualifications are imposed by subsection (c) with respect to the adjustment of basic compensation under such subsection:

First, the basic compensation paid an officer or employee under subsection (c) shall include compensation for each within-grade and longevity step-increase in compensation which he would have earned under the Classification Act of 1949 if the transfer had not occurred.

Second, the officer or employee shall be paid basic compensation, as adjusted under subsection (c), for all time on the employment rolls (except time in an employment status with respect to which no compensation was payable) in a position subject to a prevailing rate schedule during the retroactive period beginning on the first day of the first pay period which began after February 28, 1955, and ending on the date of enactment of the bill and during all periods following such date of enactment, until he leaves the position which he occupies on such date of enactment or until he becomes entitled to receive basic compensation at a higher rate under a prevailing rate schedule.

Third, when the position occupied by such officer or employee becomes vacant, the rate of basic compensation of any individual subsequently appointed to such position shall be fixed in accordance with prevailing rate schedules.

The following example illustrates the general purpose and application of subsection (c).

Employee A, a mechanic, holds a position in grade 6 of the crafts, protective, and custodial schedule of the Classification Act of 1949 and is receiving basic compensation at the minimum rate of such grade—that is, \$3,200 (equivalent to \$1.54 an hour). He is transferred during one of the transfer periods specified in clause (1) of subsection (c), to a prevailing rate schedule (that is, a so-called wage-board schedule) at an hourly rate of basic compensation of \$1.67. If such transfer had not occurred, employee A would have been receiving, on the date of enactment of the bill, the new minimum rate provided by the bill for grade 6 of the crafts, protective, and custodial schedule—\$3,440 (equivalent to \$1.65 an hour). Since this latter rate is less than the rate he is currently receiving under the prevailing rate schedule, subsection (c) is inapplicable to him. Therefore, the current rate of compensation being received by employee A under the prevailing rate schedule will be continued insofar as the operation of subsection (c) is concerned.

It is possible, however, that employee A would have earned two within-grade step increases in basic compensation under the Classification Act of 1949 if the transfer had not occurred. In such case, he would have been receiving under such act, on the date of enactment of the bill, the new rate for the third step of grade 6 of the crafts, protective, and custodial schedule—that is, \$3,610 (equivalent to \$1.74 an hour). If this were the situation, subsection (c) would apply with respect to employee A and would increase his current rate under the prevailing rate schedule from \$1.67 an hour to \$1.74 an hour.

A more specific example of the operation of subsection (c) is as follows:

Employee B, on the effective date of this section, held a position in the initial step of grade 7 of the general schedule of the Classification Act of 1949 and received basic compensation at the rate of \$4,205. On

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April 10, 1955, employee B was placed in step 2 of grade 7 of the general schedule at a rate of basic compensation of \$4,330. On May 20, 1955, employee B was transferred, either with or without his position, to a prevailing rate schedule (that is, a so-called wage-board schedule) at an hourly rate of basic compensation of \$2.10 per hour (equivalent to \$4,368 per annum). If such transfer had not occurred, employee B, on the date of enactment of the bill, would have been receiving a new rate for step 2 of such grade 7 provided by the bill which is \$4,655 per annum. This is equal to \$2.24 per hour. Subsection (c) will operate to insure that employee B will receive compensation at the rate of \$2.24 per hour retroactively from the date of enactment of the bill to the date on which employee B transferred to the prevailing rate schedule (May 20, 1955). Subsection (c) also operates to insure that employee B will receive such increased hourly rate of \$2.24 in the future until employee B either leaves the position which he holds on the date of enactment or until he is entitled to receive basic compensation at a higher rate under a prevailing rate schedule. The operation of section 2 (a) and section 13 of the bill insures that employee B will receive retroactive compensation for the period from April 10, 1955, to May 20, 1955, based on the new rate of compensation for step 2 of grade 7 of the general schedule or \$4,655 rather than the old rate for such step of such grade of \$4,330, and retroactive compensation for the period from the effective date of section 2 of the bill to April 10, 1955, based on the new rate of \$4,520 for the initial step of grade 7 of the general schedule, rather than \$4,205, the old rate for such step of such grade.

4. *Special initial salary adjustment for certain officers and employees coming within purview of Classification Act of 1949 during retroactive period*

Subsection (d) of section 2 of the bill provides for the retroactive initial adjustment of the rate of basic compensation of each officer and employee now subject to the Classification Act of 1949, as amended, who became subject to such act at any time during the retroactive period beginning on the first day of the first pay period which began after February 28, 1955, and ending on the date of enactment of the bill.

Such subsection (d) is intended to apply only in the case where the officer or employee (1) became subject to such act at a rate of basic compensation which was fixed on the basis of a higher rate previously earned by him in a position in the Federal Government or in the municipal government of the District of Columbia or (2) first became subject to such act at a rate of basic compensation which was established above the minimum rate of his class under authority of section 803 of the Classification Act of 1949, as amended (which section authorizes the recruitment of employees above the minimum rate of the class whenever a sufficient number of qualified eligibles for positions in a given class cannot be obtained otherwise).

In order to give the maximum retroactive effect on an equitable basis to the increases provided by subsection (a) of section 2 of the bill in the rates of basic compensation contained in the Classification Act of 1949, as amended, in the case of each such officer or employee, subsection (d) of section 2 contains provisions to the following effect:

First, such subsection (d) provides that the rate of basic compensation of each such officer or employee shall be adjusted retroactively to the date on which he became subject to the Classification Act of 1949, as amended.

Second, such subsection (d) provides that such retroactive adjustment will be made on the basis of and in accordance with the new rate of basic compensation provided by section 2 of the bill for that step in the appropriate compensation schedule of the Classification Act of 1949, as amended, as set forth in such section 2, which corresponds numerically to the appropriate step of the appropriate grade of that compensation schedule of the Classification Act of 1949, as amended, which was actually in effect for such officer or employee at the time he became subject to such act, without regard to the new schedule retroactively established for such officer or employee as of such time as a result of the enactment of this bill.

The following example illustrates one application of subsection (d) of section 2 of the bill.

On April 20, 1955, employee A, a mechanic, holds a position for which the compensation of \$1.60 an hour is fixed under a prevailing rate schedule—that is, a so-called wage board position. For 1 year or 52 weeks (on the basis of a regularly scheduled administrative workweek of 40 hours) or 2,080 hours of work at such rate of \$1.60 an hour, the compensation of employee A is equivalent to \$3,328 a year. The employing agency transfers employee A to the position of inspector in grade 3 of the general schedule of the Classification Act of 1949 and places him in the sixth step of grade 3 at the scheduled rate next higher than \$3,328—that is, \$3,350. Under the retroactive amendment made to the general schedule by subsection (a) of section 2 of the bill, the scheduled rate next higher than \$3,328 (or \$1.60 an hour) becomes \$3,340. The legal effect of such retroactive amendment, without regard to subsection (d) of section 2 here discussed, would be to fix the rate of basic compensation of employee A, beginning as of the date he became subject to the Classification Act of 1949 (April 20, 1955), at \$3,340—the new rate for the third step of grade 3 of the general schedule—instead of \$3,595—the new rate for the sixth step of such grade corresponding to \$3,350 (the old rate for such step). As a result, employee A would not only be deprived of any further increase under the amendment made by subsection (a) of section 2 but also would lose most of the small increase which he received when he became subject to the Classification Act of 1949. The purpose of subsection (d) of section 2 is to retain employee A in the corresponding numerical step of grade 3 and to insure that employee A will receive increased basic compensation at the rate of \$3,595.

5. Uniformity of treatment with respect to certain longevity step increases

Subsection (c) of section 2 amends section 704 of the Classification Act of 1949, as amended, to provide that the longevity step increases for grade 15 will be \$215—the same as the longevity step increases for grade 14. This subsection is necessary to insure that the longevity step increases for grade 15 will be increased from \$200 to \$215 to insure uniformity of treatment with grade 14.

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OFFICERS AND EMPLOYEES IN THE JUDICIAL BRANCH OF THE FEDERAL GOVERNMENT

Section 3 of the bill provides for increases in the rates of basic compensation of certain officers and employees in or under the judicial branch of the Federal Government.

Subsection (a) of section 3 increases (effective under sec. 13 of the bill as of the first day of the first pay period which began after February 28, 1955) the rates of basic compensation of the following officers and employees in or under the judicial branch whose rates of compensation are fixed under the respective provisions of law specified with respect to such officers and employees:

(1) Clerical, stenographic, and other assistants of referees in bankruptcy whose respective rates of compensation are fixed by the Director of the Administrative Office of the United States Courts under paragraph (2) of subdivision a of section 62 of the Bankruptcy Act (11 U. S. C., sec. 102 (a) (2));

(2) Probation officers and clerical help whose salaries are fixed by the Director of the Administrative Office of the United States Courts under section 3656 of title 18 of the United States Code;

(3) The Assistant Director of the Administrative Office of the United States Courts whose annual salary is fixed on the basis of the second sentence of section 603 of title 28 of the United States Code;

(4) Employees of the Administrative Office of the United States Courts whose respective rates of compensation are fixed in accordance with the Classification Act of 1949, as amended, by the Director of the Administrative Office of the United States Courts under the third sentence of section 603 of title 28 of the United States Code;

(5) Clerks of court, deputies, librarians, criers, messengers, law clerks, secretaries, stenographers, clerical assistants, and other employees of the courts whose respective rates of compensation are fixed by the Director of the Administrative Office of the United States Courts, under the supervision and direction of the Judicial Conference of the United States, under authority of section 604 (a) (5) of title 28 of the United States Code;

(6) The marshal of the Supreme Court of the United States whose compensation is fixed by such Court under section 672 of title 28 of the United States Code and necessary assistants and other employees to attend such Court whose respective rates of compensation are fixed by the marshal under such section;

(7) The reporter of the Supreme Court of the United States whose compensation is fixed by such Court under section 673 of title 28 of the United States Code and professional and clerical assistants and other employees whose respective rates of compensation are fixed by such reporter, with the approval of such Court or the Chief Justice of the United States, under such section;

(8) The librarian of the Supreme Court of the United States whose salary is fixed by such Court under section 674 of title 28 of the United States Code and assistants to the librarian whose respective rates of compensation are fixed by such librarian, with the approval of the Chief Justice of the United States, under such section; and

(9) Law clerks and secretaries to the Chief Justice and Associate Justices of the Supreme Court of the United States whose respective salaries are fixed by such Court under section 675 of title 28 of the United States Code.

The increases provided by subsection (a) of section 3 in the respective rates of basic compensation of the above-specified officers and employees in or under the judicial branch are amounts which are equal to the respective amounts of increase provided by section 2 of the bill in corresponding rates of compensation paid to officers and employees subject to the Classification Act of 1949, as amended.

Subsection (b) of section 3 relates to the salaries payable to secretaries and law clerks of Federal circuit and district judges.

Under the paragraph with the heading "Salaries of Supporting Personnel" in the Judiciary Appropriation Act, 1955 (Public Law 470, 83d Cong.), and similar provisions in prior appropriation acts, the compensation of such secretaries and law clerks is fixed by the Director of the Administrative Office of the United States Courts without regard to the Classification Act of 1949, as amended, with the exception that (1) the salary of a secretary shall be within one of the basic compensation ranges of grades GS-4, GS-5, GS-6, GS-7, or GS-8 of the general schedule in such act, as determined by the appointing judge subject to review by the judicial council of the appropriate circuit, and (2) the salary of a law clerk shall be within one of the basic compensation ranges of grades GS-5, GS-7, GS-9, GS-11, or GS-12 of such schedule, as determined by the appointing judge subject to such review. Such paragraph also provides that, with the exception of certain step increases and compensation for temporary assistance in emergencies, (1) the aggregate salaries paid to secretaries and law clerks appointed by one judge shall not exceed \$10,560 per annum; and (2) in the case of the chief judge of each circuit and the chief judge of each district court having 5 or more district judges, the aggregate salaries paid to secretaries and law clerks shall not exceed \$14,355 per annum.

Subsection (b) of section 3 increases such limitations of \$10,560 and \$14,355 contained in the above-mentioned provision of the Judiciary Appropriation Act, 1955 (or in any subsequent appropriation act) by the amounts necessary to pay to secretaries and law clerks of Federal circuit and district judges the additional basic compensation provided by the bill.

Subsection (c) of section 3 relates to the annual salaries of court reporters of the district courts of the United States, the District Court for the Territory of Alaska, the United States District Court for the District of the Canal Zone, the District Court of Guam, and the District Court of the Virgin Islands.

Section 753 (e) of title 28 of the United States Code provides that each such court reporter shall receive an annual salary of not less than \$3,000 nor more than \$6,000, to be fixed from time to time by the Judicial Conference of the United States.

Subsection (c) of section 3 increases by 7.5 percent (\$450) the maximum annual salary of \$6,000 now payable to a court reporter under section 753 (e) of title 28 of the United States Code. Such increase in maximum annual salary will enable the Judicial Conference of the United States in its discretion to grant increases of not to exceed 7.5 percent in the rate of annual salary of each such court reporter without affecting the relationship of such annual salary rate

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to other rates of annual salary within the salary structure for such court reporters under such section 753 (e).

OFFICERS AND EMPLOYEES IN THE LEGISLATIVE BRANCH OF THE FEDERAL GOVERNMENT

Section 4 of the bill provides for increases in the rates of compensation of certain officers and employees in or under the legislative branch of the Federal Government.

Subsection (a) of section 4 increases the rates of compensation of officers and employees in or under the legislative branch whose rates of compensation were increased by section 5 of the Federal Employees Pay Act of 1946. Each officer and employee in or under the legislative branch to whom subsection (a) of section 2 is applicable will be paid additional compensation at the rate of 7½ percent of his gross salary. Such gross salary is composed of the aggregate rate of the rate of basic compensation of such officer or employee and the rates of additional compensation such officer or employee was receiving immediately prior to such effective date under (1) sections 501 and 502 of the Federal Employees Pay Act of 1945, as amended, (2) section 301 of the Postal Rate Revision and Federal Employees Salary Act of 1948, (3) the provisions under the heading "Increased Pay for Legislative Employees" in the Second Supplemental Appropriation Act, 1950, (4) the act of October 24, 1951 (Public Law 201, 82d Cong.), and (5) the provisions of any other law. Such additional compensation shall not be taken into account in determining whether or not any amount expended for clerical and administrative assistance or messenger service is within any limit prescribed by law. Such additional compensation will, however, be considered part of the compensation of such officer or employee for payroll deductions for the purposes of the Civil Service Retirement Act of May 29, 1930, as amended, and (subject to sec. 13 (c) of the bill) payroll deductions for the purposes of the insurance of such officer or employee under the Federal Employees' Group Life Insurance Act of 1954.

Subsection (b) of section 4 amends section 2 (b) of the act of October 24, 1951 (Public Law 201, 82d Cong.), so as to provide, in effect, that, unless explicitly authorized by law, no officer or employee in or under the legislative branch shall be paid aggregate compensation for any period at a rate in excess of the highest per annum rate of compensation paid under the Classification Act of 1949, as amended. This provision replaces the present limitation on the maximum aggregate rate of compensation payable to any such officer or employee, which is stated in terms of dollars (\$11,646 per annum) in section 2 (b) of the act of October 24, 1951 (Public Law 201, 82d Cong.). This subsection does not apply to elected officers of the Senate and the House of Representatives and other individuals who are within the purview of subsection (c) of section 4 of the bill.

Subsection (c) of section 4 increases the rate of basic compensation of (1) each of the elected officers of the Senate and the House of Representatives (except the presiding officers of the respective Houses), (2) the Parliamentarian of the Senate, (3) the Parliamentarian of the House of Representatives, (4) the legislative counsel of the Senate, (5) the legislative counsel of the House of Representatives, and (6) the Coordinator of Information of the House of Representatives.

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Each such elected officer and other designated individual will be paid additional compensation at the rate of 7½ percent of his existing rate of compensation.

Subsection (d) of section 4 of the bill increases by 7.5 percent the limitations in the paragraph designated "Folding documents" under the heading "Contingent Expenses of the House" in the Legislative Appropriation Act, 1955 (Public Law 470, 83d Cong.).

INCREASE IN MAXIMUM SALARY LIMITATION FOR DIRECTORS, OFFICERS,
AND EMPLOYEES OF BANKS FOR COOPERATIVES AND PRODUCTION
CREDIT CORPORATIONS AND ASSOCIATIONS UNDER THE FARM CREDIT
ACT OF 1933

Section 5 of the bill increases from \$13,800 to \$14,620 the maximum limitation on the rates of compensation payable to directors, officers, and employees of the Central Bank for Cooperatives, the district banks for cooperatives, the production credit corporations, and the production credit associations under the Farm Credit Act of 1933.

Under sections 2, 20, and 30 of the Farm Credit Act of 1933 (12 U. S. C., secs. 1131, 1131d, 1134, and 1134f) the Governor of the Farm Credit Administration is authorized and directed to organize and charter 12 production credit corporations, 12 banks for cooperatives, a number of local production credit associations, and a Central Bank for Cooperatives. The directors, officers, and employees of such organizations are compensated for their services under various procedures and provisions of law.

Section 66 of the Farm Credit Act of 1933 (12 U. S. C., sec. 1138f) now provides that no director, officer, or employee of the Central Bank for Cooperatives or of any production credit corporation, production credit association, or bank for cooperatives shall be paid compensation at a rate in excess of \$13,800 a year. Section 5 of the bill increases to \$14,620 such maximum salary limitation of \$13,800. Although no existing rate of compensation is actually increased by section 5, such section, by increasing such maximum salary limitation, will enable the respective appropriate salary-fixing authorities in their discretion to increase the rates of compensation payable to the directors, officers, and employees under their respective jurisdictions in accordance with existing law and procedures governing the salaries of such directors, officers, and employees.

OFFICERS AND EMPLOYEES IN THE DEPARTMENT OF MEDICINE AND
SURGERY IN THE VETERANS' ADMINISTRATION

Section 6 of the bill provides increases in certain per annum rates of salary set forth in the act of January 3, 1946 (Public Law 293, 79th Cong.), as amended (38 U. S. C., secs. 15-15n) for officers and employees of the Department of Medicine and Surgery in the Veterans' Administration. These increases, which under section 13 of the bill become effective as of the first day of the first pay period which began after February 28, 1955, are in amounts equal to approximately 7.5 percent of the respective existing per annum salary rates.

It may be observed that such act of January 3, 1946, provides for two general types of per annum rates of salary:

- (1) Per annum rates of salary which are directly established by the provisions of such act for designated positions; and

(2) Per annum rates of salary which are established by appropriate administrative action in accordance with pay ranges containing minimum and maximum rates which are set forth in such act.

Subsection (a) of section 6 increases certain minimum and maximum rates of salary contained in section 3 (d) and section 7 of the act of January 3, 1946.

Under the existing section 3 (d) of the act of January 3, 1946, each Assistant Chief Medical Director is paid a salary in accordance with the pay range of \$13,800 minimum to \$14,800 maximum and each director of service or chief of division is paid a salary in accordance with the pay range of \$12,300 minimum to \$13,300 maximum. Subsection (a) of section 6 of the bill increases by 7.5 percent each of the foregoing minimum and maximum rates, except the existing maximum rate of \$14,800 in the pay range for each Assistant Chief Medical Director.

Under the existing section 7 of the act of January 3, 1946, grades and pay ranges of certain minimum and maximum rates are prescribed for the Medical Service, the Dental Service, and the Nursing Service of the Department of Medicine and Surgery in the Veterans' Administration. The salaries of the pay ranges for the 6 grades of the Medical Service extend from \$5,500 minimum for the lowest grade to \$11,800 maximum for the highest grade. Such salaries for the 6 grades of the Dental Service extend from \$5,500 minimum for the lowest grade to \$11,800 maximum for the highest grade. Such salaries for the 5 grades of the Nursing Service extend from \$3,740 minimum for the lowest grade to \$8,040 maximum for the highest grade. Subsection (a) of section 6 of the bill increases by 7.5 percent the minimum and maximum rates of the pay range for each of the grades of the Medical Service, the Dental Service, and the Nursing Service.

Since the increases made by subsection (a) of section 6 of the bill are increases in minimum and maximum rates for certain pay ranges, such increases will enable the per annum rates of salary of officers and employees subject to such pay ranges to be appropriately adjusted by administrative action in amounts which will reflect the increases made by such subsection (a) in such minimum and maximum rates.

Subsection (b) of section 6 of the bill increases certain single per annum salary rates which are directly established by the provisions of section 3 (e) and section 3 (f) of the act of January 3, 1946.

The existing section 3 (e) of the act of January 3, 1946, directly establishes the per annum rate of salary for the Director of Nursing Service at \$10,800 and the per annum rate of salary for the Deputy Director of Nursing Service at \$9,600. The existing section 3 (f) of such act directly establishes the respective per annum rates of salary for chief pharmacist, chief dietitian, chief physical therapist, and chief occupational therapist at \$9,600.

Subsection (b) of section 6 directly increases by 7.5 percent the per annum rates of salary contained in sections 3 (e) and 3 (f) of the act of January 3, 1946.

Three additional observations may be made with respect to section 6 of the bill:

First, subsection (c) of such section 6 requires that each minimum rate, each maximum rate, and each single salary rate increased by subsections (a) and (b) of such section shall be rounded, as so increased, to

the nearest \$5 per annum (counting \$2.50 per annum and over as \$5 per annum) in order to simplify the computation of pay rates and facilitate payroll administration in connection with officers and employees in the Veterans' Administration covered by this section;

Second, subsection (d) of such section 6 increases from \$12,800 to \$13,760 the maximum per annum limitation on the aggregate of the amount of the pay and the allowances for any person rated as a medical, surgical, or dental specialist in accordance with the act of January 3, 1946; and

Third, no per annum rate of compensation or salary of an officer or employee in the Department of Medicine and Surgery which is now \$14,800 or more is increased by reason of the enactment of section 6.

In summary, section 6 of the bill conforms to the policy established by the act of January 3, 1946, with respect to the salary structure for officers and employees in the Department of Medicine and Surgery in the Veterans' Administration (1) by increasing the amounts of certain of the per annum rates of salary directly established by such act for designated positions, thereby directly increasing the salaries of officers and employees in such positions, and (2) by increasing certain minimum and maximum rates of the pay ranges set forth in such act in order that the salaries subject to such pay ranges may be appropriately adjusted through the exercise of administrative authority.

OFFICERS AND EMPLOYEES SUBJECT TO THE FOREIGN SERVICE ACT
OF 1946

Section 7 of the bill provides increases (which under sec. 13 of the bill become effective as of the first day of the first pay period which began after February 28, 1955) in the per annum rates of salary of certain officers and employees subject to the Foreign Service Act of 1946, as amended, by increasing by approximately 7.5 percent each of the per annum rates of salary provided by sections 412 and 415 of such act.

Section 412 of the Foreign Service Act of 1946, as amended (22 U. S. C., sec. 867), establishes seven classes of Foreign Service officers including the class of career minister. The per annum salary of a career minister is fixed by such section 412 at \$14,300. The respective per annum salaries for other Foreign Service officers within such classes range from \$3,993 (the minimum scheduled rate for class 6) to \$14,300 (the maximum scheduled rate for class 1).

Section 415 of the Foreign Service Act of 1946, as amended (22 U. S. C., sec. 870), establishes 22 classes of Foreign Service staff officers and employees. The respective per annum rates of salary for officers and employees within such classes range from \$1,350 (the minimum scheduled rate for class 22) to \$11,130 (the maximum scheduled rate for class 1).

Section 7 of the bill, in effect, increases each of the per annum rates of salary contained in sections 412 and 415 of the Foreign Service Act of 1946, as amended, by an amount which is equal to 7.5 percent of such per annum rate, subject to the following provisions of the bill:

First, the second sentence of section 7 requires that each such per annum rate as so increased shall be rounded to the nearest \$5 per

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annum, counting \$2.50 per annum and over as \$5 per annum. The purpose of this provision is to simplify the computation of pay rates and facilitate payroll administration in connection with such officers and employees by expressing each of such rates as so increased in terms of the nearest \$5 per annum rather than exact dollars and cents.

Second, that provision of section 9 of the bill which requires that no such rate shall be increased by reason of the enactment of the bill to an amount in excess of \$14,800 a year prevents the full application of the 7.5 percent increase to the per annum rates under section 412 of the Foreign Service Act of 1946, as amended, for career minister (\$14,300) and for Foreign Service officers in salary steps 4 (\$14,000) and 5 (\$14,300) of class 1. This provision, in effect, limits the increase in each such case to an amount which, when added to the existing per annum rate, will not result in a new per annum rate of more than \$14,800.

AUTHORITY FOR RETROACTIVE SALARY INCREASES BY ADMINISTRATIVE ACTION

The general purpose of section 8 of the bill is to provide authority for the granting of retroactive salary increases (corresponding to increases otherwise provided for by the bill) for those officers and employees whose rates of compensation or salary are normally fixed by administrative action pursuant to law (excluding rates fixed in accordance with prevailing rates or practices), while preserving all authority contained in existing law to fix compensation or salary by administrative action.

Section 8 contains three provisions to the following general effect:

First, subsection (a) of section 8 contains a limited waiver of section 3679 of the Revised Statutes, as amended (31 U. S. C., sec. 665) (the so-called Antideficiency Act), in order to permit those rates of compensation of officers and employees of the Federal Government and the municipal government of the District of Columbia, which are fixed by administrative action pursuant to law and are not otherwise increased by the bill, to be increased retroactively to the first day of the first pay period which began after February 28, 1955, by amounts not to exceed the increases provided by the bill for corresponding rates of compensation in the appropriate schedule or scale of pay.

Second, subsection (b) of section 8 contains a specific disavowal of any authorization in the section to increase the rates of compensation fixed and adjusted in accordance with prevailing rates or practices.

Third, subsection (c) of section 8 states that this section has no effect upon the authority contained in any law pursuant to which rates of compensation may be fixed by administrative action.

Subsection (a) of section 8 is necessary, in part, because of certain requirements in section 3679 of the Revised Statutes, two of the principal requirements of which are that—

* * * all appropriations or funds available for obligation for a definite period of time shall be so apportioned as to prevent obligation or expenditure thereof in a manner which would indicate a necessity for deficiency or supplemental appropriations for such period * * *

and—

* * * nor shall any such officer or employee involve the Government in any contract or other obligation, for the payment of money for any purpose, in advance

of appropriations made for such purpose, unless such contract or obligation is authorized by law * * *.

Sections 2, 3, 4, 5, 6, and 7 of the bill constitute authorizations by law for the payment, both retroactively and prospectively, of the increases provided by the bill for those officers and employees covered by those sections, in advance of appropriations made for the purpose of paying such increases, thus fulfilling the requirements of section 3679 of the Revised Statutes. Those rates of compensation which are fixed by administrative action can be increased prospectively by the appropriate administrator under authority of existing law and without regard to any provision contained in this bill, provided, of course, that sufficient funds are available so that a deficiency would not be created by reason of such increases. However, even if the administrator has available sufficient appropriations to grant such increases without requiring a deficiency or supplemental appropriation for the period for which he grants such retroactive compensation, such retroactive increases cannot be granted solely by administrative action. Therefore, subsection (a) of section 8 is needed to permit the administrator, if he so desires (for he is not required to do so), (1) to grant retroactive increases in amounts not to exceed those provided by the bill for corresponding rates of compensation in the appropriate schedule or scale of pay and (2) to grant prospective increases in such amounts in those cases where the administrator does not have sufficient funds available to pay such increases without creating a deficiency.

Subsection (b) of section 8 states that those rates of compensation fixed and adjusted from time to time in accordance with prevailing rates or practices are not to be deemed to be authorized to be increased by reason of any provision of section 8. The reason for the inclusion of this subsection is that such rates of compensation fixed by wage boards or similar authority can be fixed and adjusted at any time by such boards or authority because such rates are based on the rates or practices in the particular locality and by their very nature are not susceptible to blanket treatment.

Subsection (c) of section 8 states that nothing in the section shall affect the authority contained in any law pursuant to which rates of compensation may be fixed by administrative action. Section 8 has no effect on the authority of any administrator granted to him by any other law to fix rates of compensation by administrative action. As stated in the discussion of subsection (a) of this section, his authority to grant increases or otherwise fix rates prospectively is not in any way altered by this section, for the reason that, in the exercise of his administrative authority, he may presently grant increases prospectively in any amounts without regard to any provision in this section, provided he has sufficient funds available so that a deficiency would not be created by the payment of such increases. By reason of subsection (a) of section 8, the administrator is granted some additional, but limited, authority to grant retroactive increases. However, this grant of authority in no way alters or limits his authority to fix rates as granted by any other provision of law.

MAXIMUM LIMITATION WITH RESPECT TO SALARY INCREASES

Section 9 of the bill provides a maximum salary limitation of \$14,800 which governs the amount of the increase in any rate of basic

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compensation or salary which may be payable by reason of the enactment of the bill.

Specifically, section 9 limits the application of the bill, and the amount of any such increase thereunder, as follows:

First, section 9 limits the application of the bill by providing that, notwithstanding any other provision of the bill, no rate of basic compensation or salary which is \$14,800 or more a year shall be increased by reason of the enactment of the bill.

Second, section 9 limits the amount of any increase provided for under the bill by providing that, notwithstanding any other provision of the bill, no rate of basic compensation or salary otherwise within the purview of the bill shall be increased to an amount in excess of \$14,800 a year by reason of the enactment of the bill.

CLASSES OF PERSONS ENTITLED TO RECEIVE PAYMENT OF RETROACTIVE SALARY INCREASE

Section 10 of the bill specifies the classes of persons entitled to receive payment of the amount of any increase in compensation or salary which is payable, under authority of any provision of the bill, with respect to an officer or employee within the purview of the bill, for any retroactive period of service of such officer or employee which is covered by the bill.

Subsection (a) of section 10 provides, in effect, that the amount of any increase in the rate of compensation or salary of any individual made by reason of the enactment of the bill for any period, beginning on or after the first day of the first pay period which began after February 28, 1955, and ending on or before the date of enactment of the bill, during which such individual was on any employment roll (excluding time in an employment status with respect to which no compensation or salary was payable) of the Federal Government or of the municipal government of the District of Columbia, shall be paid as follows:

(1) To such individual, if, on such date of enactment, he (A) is on any such employment roll, (B) is in the service of the Armed Forces of the United States, or (C) is retired under any retirement law or retirement system for civilian officers and employees in or under the Federal Government or the municipal government of the District of Columbia; or

(2) to the survivor or survivors, in accordance with the order of precedence and other provisions contained in the act of August 3, 1950 (Public Law 636, 81st Cong.), as amended (5 U. S. C., secs. 63f-63k), relating to the settlement of the accounts of deceased Government officers and employees, of any such individual who has died prior to such date of enactment, if, at the time of his death, such individual was (A) on any such employment roll, (B) in the service of the Armed Forces of the United States, or (C) retired under any such retirement law or retirement system.

The order of precedence for payment to survivors specified in the act of August 3, 1950, is as follows: First, the beneficiary or beneficiaries appropriately designated by the deceased officer or employee; second, the widow or widower of such officer or employee; third, the child or children of such officer or employee and descendants of

deceased children by representation; fourth, the parent or parents of such officer or employee; and fifth, the legal representative of the estate of such officer or employee or, if none, to the person or persons determined to be entitled thereto under the laws of the domicile of the officer or employee.

It may be noted that the language of subsection (a) of section 10 expressly provides for payment of the increase in compensation or salary for the retroactive period to the survivor or survivors of a deceased individual only in the case in which such individual dies prior to the date of enactment of the bill. If the individual dies on or after such date of enactment, his right to receive payment of such increase would have vested in him during his lifetime under that part of subsection (a) which provides for payment to an individual on the employment rolls on such date. Consequently, the survivor or survivors of such individual would be entitled to receive payment of the unpaid amount of such increase as an item of the employment account of such individual to be settled under the provisions of the act of August 3, 1950, in the same manner as such act applies with respect to the settlement of accounts of deceased Government officers and employees generally.

Subsection (b) of section 10 provides that, in the case of an individual who is relieved from training and service in the Armed Forces of the United States or who is discharged from hospitalization following such training and service, the period provided by law for the mandatory restoration of such individual to a position in or under the Federal Government or the municipal government of the District of Columbia also shall be deemed to be service in the Armed Forces of the United States for the purposes of section 10. This mandatory restoration period of 90 days in the case of relief from such training and service and 90 days after relief from not more than 1 year of such hospitalization is established by section 9 of the Universal Military Training and Service Act (50 App. U. S. C., sec. 459).

EXCLUSION FROM SALARY INCREASES PROVIDED BY THE BILL OF OFFICERS AND EMPLOYEES UNDER CLASSIFICATION ACT OF 1949 ENTITLED TO SALARY INCREASES UNDER POSTAL FIELD SERVICE COMPENSATION ACT OF 1955

Section 11 of the bill provides, in effect, that an officer or employee, who is in a position subject to the Classification Act of 1949, as amended, which will be reclassified in the postal field service under the Postal Field Service Compensation Act of 1955 (Public Law 68, 84th Cong.) and who is entitled to receive an increase in basic salary by reason of section 701 of the latter act, shall not be entitled to receive the increase provided by this bill for officers and employees subject generally to the Classification Act of 1949, as amended, for any period for which he is entitled to receive such increase in basic salary under the Postal Field Service Compensation Act of 1955.

Section 701 of the Postal Field Service Compensation Act of 1955 provides, in pertinent part, that the basic salary of each "employee" paid under the Classification Act of 1949, as amended, shall be increased by 6 percent, effective March 1, 1955. The term "employee," as defined for purposes of the Postal Field Service Compensation Act of 1955, restricts the class of employees paid under the Classification

Act of 1949, as amended, who receive such basic salary increase under such section 701, to those officers and employees who are in the postal field service and whose positions are to be reclassified in the postal field service in accordance with the Postal Field Service Compensation Act of 1955.

Since the references in this bill to officers and employees do not exclude specifically employees in the above-mentioned class covered by the Postal Field Service Compensation Act of 1955, the provisions of section 11 are included in the bill in order to avoid the possibility of any inference that such employees will be entitled to receive under this bill increases in basic salary for any period for which they are entitled to receive such increases under section 701 of the Postal Field Service Compensation Act of 1955. Section 11 of the bill insures that such is not the case.

NUMBER OF POSITIONS IN GRADES 16, 17, AND 18 OF GENERAL SCHEDULE
OF CLASSIFICATION ACT OF 1949

Section 12 of the bill amends, repeals, and consolidates existing provisions governing the number of positions allowable in grades 16, 17, and 18 of the general schedule of the Classification Act of 1949—the so-called supergrade positions.

Subsection (a) of section 12 amends section 505 of the Classification Act of 1949, as amended (5 U. S. C., sec. 1105). Such section 505, as now in effect, provides—

(1) That no position shall be placed in grade 16 or grade 17 of the general schedule except by action of, or after prior approval by, the United States Civil Service Commission;

(2) That no position shall be placed in or removed from grade 18 of the general schedule except by the President, upon recommendation of the United States Civil Service Commission;

(3) That at any one time there shall not be more than 400 positions in grade 16, not more than 115 positions in grade 17, and not more than 35 positions in grade 18, of the general schedule; and

(4) That the number of positions of senior specialists in the Legislative Reference Service of the Library of Congress allocated to grade 16, 17, or 18 of the general schedule by reason of the proviso contained in section 203 (b) (1) of the Legislative Reorganization Act of 1946 (2 U. S. C., sec. 166 (b) (1)) shall be in addition to the number of positions authorized to be placed in such grades as specified above.

However, in addition to the number of positions which are authorized to be placed in grades 16, 17, and 18 of the general schedule under section 505 of the Classification Act of 1949, certain of the various appropriation acts and other laws (including certain reorganization plans) have authorized, from time to time, the placing of additional numbers of positions in grades 16, 17, and 18 of the general schedule. In some instances this has been done without regard to any of the restrictions of section 505. In most instances, however, only the overall maximum limitation of 550 positions has been waived, the standards and procedures of that section continuing to apply. At the present time, a total of 1,181 positions have been authorized for grades GS-16, 17, 18 of the general schedule. Of these positions, 631

exist under 19 authorities other than section 505 of the Classification Act of 1949.

Therefore, section 505 of the Classification Act of 1949, as now in effect, in and of itself does not even approximately reflect the existing state of the law with respect to the total number of positions which may be placed in grades 16, 17, and 18 of the general schedule—the so-called supergrades. Such section 505 is only 1 of 20 different authorities authorizing positions in these grades. This situation subverts the original intent and purpose of section 505 of the Classification Act of 1949.

The committee believes it would be highly desirable if the Congress could look to 1 law and 1 agency of the executive branch, namely the United States Civil Service Commission, for overall authorization and control of the allocation of positions to these top grades of the Classification Act of 1949. The provisions of section 12 of the bill are aimed in that direction.

The committee also recommends that the Director of the Bureau of the Budget exercise his full powers to disapprove requests of agencies of the executive branch, in connection with appropriation estimates or otherwise, for individual exceptions from the new numerical limitation of 1,200 proposed in this bill when it is enacted into law. If there should develop strong need for increasing this figure above the statutory maximum, the committee would expect the United States Civil Service Commission to present the matter promptly to the Committee on Post Office and Civil Service of the House of Representatives and the Committee on Post Office and Civil Service of the Senate for appropriate modification.

In order to consolidate the provisions of existing law relating to the number of positions which may be placed in grades 16, 17, and 18 of the general schedule and enable the usual and ordinary legislative procedures and processes (in accordance with appropriate committee jurisdiction) to obtain in connection with future legislative proposals concerning all such matters, section 12 of the bill contains provisions, as follows:

First, subsection (a) of section 12 of the bill amends the existing section 505 of the Classification Act of 1949 to the following effect:

(1) Subsection (a) of such section 505 provides that no position shall be placed in grade 16, 17, or 18 of the general schedule except by action of, or after prior approval by, a majority of the Civil Service Commissioners;

(2) Subsection (b) of such section 505 provides that a majority of the Civil Service Commissioners are authorized to establish and (from time to time) revise the maximum number of positions (not to exceed 1,200) which may be in grades 16, 17, and 18 of the general schedule at any one time. However, under this authority such maximum number of positions shall not exceed 325 for grade 17 and 125 for grade 18. Moreover, the number of positions which may be placed in grades 16, 17, and 18 under this authority does not include certain positions of senior specialists in the Legislative Reference Service of the Library of Congress, certain positions in the General Accounting Office, and certain positions in the Federal Bureau of Investigation, United States Department of Justice, which may be placed in grades 16, 17, and 18 under subsections (c), (d), and (e) of the new section 505 of the Classification Act of 1949, as contained in section 12 of the bill.

Finally, it is required that the United States Civil Service Commission shall report annually to the Congress (a) the total number of positions established by the above-mentioned majority of the Civil Service Commissioners for grades 16, 17, and 18 of the general schedule and (b) the total number of positions so established for each such grade;

(3) Subsection (c) of such section 505 continues the existing provision of section 505 relating to senior specialists in the Legislative Reference Service of the Library of Congress. Such provision is rephrased in more explicit language but the effect of the provision remains unchanged;

(4) Subsection (d) of such section 505 authorizes the Comptroller General of the United States, subject to the procedures prescribed by section 505, to place a total of 25 positions in the General Accounting Office in grades 16, 17, and 18 of the general schedule. These positions are to be in addition to the number of positions authorized to be placed in such grades by a majority of the Civil Service Commissioners under the new subsection (b) of section 505; and

(5) Subsection (e) of such section 505 authorizes the Director of the Federal Bureau of Investigation, United States Department of Justice, without regard to any of the provisions of section 505, to place a total of 37 positions in the Federal Bureau of Investigation in grades 16, 17, and 18 of the general schedule. These positions are to be in addition to the number of positions authorized to be placed in such grades by a majority of the Civil Service Commissioners under the new subsection (b) of section 505.

Second, subsection (b) of section 12 of the bill provides that positions in grade 16, 17, or 18, as the case may be, of the general schedule of the Classification Act of 1949, as amended, immediately prior to the effective date of section 12, shall remain on and after such effective date, in their respective grades, until other action is taken under the applicable provisions of section 505 of such act as in effect on and after such effective date. The purpose of this provision is (1) to continue in such grades those positions which are currently in such grades under authority of the respective existing provisions of law relating thereto until other appropriate action is taken under the new section 505 with respect to placement of positions in such grades and (2) to continue the authority for the payment of the compensation of individuals in such positions.

Third, subsection (c) of section 12 of the bill repeals certain parts of laws and certain reorganization plans under which certain positions (in addition to those provided for under the existing sec. 505 of the Classification Act of 1949) are currently placed in grades 16, 17, and 18 of the general schedule.

EFFECTIVE DATES

Section 13 of the bill prescribes the several dates on which the provisions of the respective sections of the bill are to become effective and provides that, only for the purpose of determining the amount of insurance for which an individual is eligible under the Federal Employees' Group Life Insurance Act of 1954, changes in rates of compensation or salary which result from the enactment of the bill shall be effective on the first day of the first pay period which begins on or after the date of enactment of the bill.

Section 13 of the bill is to become effective on the date of enactment of the bill in order to make effective those provisions which establish the effective dates for the other sections of the bill.

The respective sections of the bill (other than sec. 13) are to take effect as follows:

(1) The first section (providing a short title for the proposed new salary increase law), section 2 (providing increases in the rates of basic compensation of officers and employees subject to the Classification Act of 1949, as amended), section 3 (providing increases in the rates of basic compensation of certain officers and employees in or under the judicial branch of the Federal Government), section 4 (providing increases in the rates of compensation of certain officers and employees in or under the legislative branch of the Federal Government), section 5 (increasing the maximum limitation on the rates of compensation payable to directors, officers, and employees of certain banks and production credit corporations and associations under the Farm Credit Act of 1933), section 6 (providing increases in the rates of basic compensation payable to officers and employees in the Department of Medicine and Surgery in the Veterans' Administration), section 7 (providing increases in the rates of basic compensation of certain officers and employees subject to the Foreign Service Act of 1946, as amended), and section 9 (imposing a maximum limitation of \$14,800 with respect to the rates of compensation increased by the bill) are to have retroactive effect as of the first day of the first pay period which began after February 28, 1955.

(2) Section 8 (granting authority for corresponding retroactive increases by administrative action in the rates of compensation of certain officers and employees of the Federal Government and the government of the District of Columbia whose rates of compensation are normally fixed by administrative action pursuant to law), section 10 (defining the classes of individuals to whom the increases in compensation for the retroactive period covered by the bill are payable), section 11 (relating to the ineligibility of certain officers and employees who receive salary increases under the Postal Field Service Compensation Act of 1955 to receive the salary increases provided by the bill), and section 12 (amending, repealing, and consolidating existing provisions of law governing the maximum number of positions allowable in grades 16, 17, and 18 of the general schedule of the Classification Act of 1949, as amended) are to take effect on the date of enactment of the bill into law.

Subsection (c) of section 13 establishes the first day of the first pay period which begins on or after the date of enactment of the bill as the date on which the changes in rates of compensation or salary made by the bill take effect for the purpose of determining the amount of insurance for which an officer or employee is eligible under the Federal Employees' Group Life Insurance Act of 1954 (Public Law 598, 83d Cong.).

The Federal Employees' Group Life Insurance Act of 1954 provides that a Government officer or employee is eligible to be insured for an amount approximating his annual compensation. This bill will provide increases in the annual compensation or salaries of certain of these officers and employees not only prospectively but retroactively, thus affecting the amount of insurance for which certain of such officers and employees are eligible. Because the increase provided by this

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bill is retroactive in part, certain problems could arise as a result of such retroactivity if this subsection were omitted from the bill. For example, certain problems could arise (1) as to the liability of the officer or employee to pay premiums for insurance based on this increased annual compensation retroactive to the effective date of the increase, (2) as to the amount of insurance which a deceased officer or employee who died during the retroactive period was eligible to be insured for at the time of his death, and (3) as to the amount of insurance which an officer or employee who retired during the retroactive period was eligible to be insured for at the time of his retirement. Therefore, in order to avoid any such problems, subsection (c) of section 13 provides that the increases provided by the bill will take effect on the first day of the first pay period which begins on or after the date of enactment only for the purpose of determining the amount of insurance which an officer or employee is eligible to be insured for under the Federal Employees' Group Life Insurance Act of 1954. Thus, those officers and employees who will become eligible for increased amounts of insurance, by reason of the increases provided by reason of the enactment of this bill, will become eligible for such increased amounts of insurance only for the future, and the respective amounts of insurance for which they are eligible during the retroactive period of the increase provided by the bill will remain unchanged.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as passed by the Senate, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SECTION 603 (b) AND (c) OF THE CLASSIFICATION ACT OF 1949, AS AMENDED

[(b) The compensation schedule for the General Schedule shall be as follows:

Grade	For annum rates						
GS-1.....	\$2,500	\$2,580	\$2,660	\$2,740	\$2,820	\$2,900	\$2,980
GS-2.....	2,750	2,830	2,910	2,990	3,070	3,150	3,230
GS-3.....	2,950	3,030	3,110	3,190	3,270	3,350	3,430
GS-4.....	3,175	3,255	3,335	3,415	3,495	3,575	3,655
GS-5.....	3,410	3,535	3,660	3,785	3,910	4,035	4,160
GS-6.....	3,795	3,920	4,045	4,170	4,295	4,420	4,545
GS-7.....	4,205	4,330	4,455	4,580	4,705	4,830	4,955
GS-8.....	4,620	4,745	4,870	4,995	5,120	5,245	5,370
GS-9.....	5,060	5,185	5,310	5,435	5,560	5,685	5,810
GS-10.....	5,500	5,625	5,750	5,875	6,000	6,125	6,250
GS-11.....	5,940	6,140	6,340	6,540	6,740	6,940	
GS-12.....	7,040	7,240	7,440	7,640	7,840	8,040	
GS-13.....	8,360	8,560	8,760	8,960	9,160	9,360	
GS-14.....	9,600	9,800	10,000	10,200	10,400	10,600	
GS-15.....	10,800	11,050	11,300	11,550	11,800		
GS-16.....	12,000	12,200	12,400	12,600	12,800		
GS-17.....	13,000	13,200	13,400	13,600	13,800		
GS-18.....	14,800						

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(b) The compensation schedule for the General Schedule shall be as follows:

Grade	Per annum rates						
1.....	\$2,700	\$2,800	\$2,900	\$3,000	\$3,100	\$3,200	\$3,300
2.....	3,050	3,150	3,250	3,350	3,450	3,550	3,650
3.....	3,300	3,400	3,500	3,600	3,700	3,800	3,900
4.....	3,575	3,675	3,775	3,875	3,975	4,075	4,175
5.....	3,850	4,000	4,150	4,300	4,450	4,600	4,750
6.....	4,275	4,425	4,575	4,725	4,875	5,025	5,175
7.....	4,725	4,875	5,025	5,175	5,325	5,475	5,625
8.....	5,175	5,325	5,475	5,625	5,775	5,925	6,075
9.....	5,650	5,800	5,950	6,100	6,250	6,400	6,550
10.....	6,125	6,275	6,425	6,575	6,725	6,875	7,025
11.....	6,600	6,825	7,050	7,275	7,500	7,725	
12.....	7,800	8,050	8,300	8,550	8,800	9,050	
13.....	9,100	9,350	9,600	9,850	10,100	10,350	
14.....	10,400	10,650	10,900	11,150	11,400	11,650	
15.....	11,700	11,950	12,200	12,450	12,700		
16.....	13,000	13,250	13,500	13,750	14,000		
17.....	14,100	14,350	14,600				
18.....	14,800						

(c) (1) The compensation schedule for the Crafts, Protective, and Custodial Schedule shall be as follows:

Grade	Per annum rates						
CPC-1.....	\$1,810	\$1,870	\$1,930	\$1,990	\$2,050	\$2,110	\$2,170
CPC-2.....	2,420	2,490	2,560	2,630	2,700	2,770	2,840
CPC-3.....	2,552	2,632	2,712	2,792	2,872	2,952	3,032
CPC-4.....	2,750	2,830	2,910	2,990	3,070	3,150	3,230
CPC-5.....	2,974	3,054	3,134	3,214	3,294	3,374	3,454
CPC-6.....	3,200	3,280	3,360	3,440	3,520	3,600	3,680
CPC-7.....	3,435	3,535	3,635	3,735	3,835	3,935	4,035
CPC-8.....	3,740	3,865	3,990	4,115	4,240	4,365	4,490
CPC-9.....	4,150	4,275	4,400	4,525	4,650	4,775	4,900
CPC-10.....	4,565	4,690	4,815	4,940	5,065	5,190	5,315

(2) Charwomen working part time shall be paid at the rate of \$2,700 per annum, and head charwomen working part time at the rate of \$2,840 per annum.

(c) (1) The compensation schedule for the Crafts, Protective, and Custodial Schedule shall be as follows:

Grade	Per annum rates						
1.....	\$1,900	\$1,970	\$2,040	\$2,110	\$2,180	\$2,250	\$2,320
2.....	2,550	2,630	2,710	2,790	2,870	2,950	3,030
3.....	2,700	2,800	2,900	3,000	3,100	3,200	3,300
4.....	3,050	3,150	3,250	3,350	3,450	3,550	3,650
5.....	3,300	3,400	3,500	3,600	3,700	3,800	3,900
6.....	3,575	3,675	3,775	3,875	3,975	4,075	4,175
7.....	3,850	4,000	4,150	4,300	4,450	4,600	4,750
8.....	4,275	4,425	4,575	4,725	4,875	5,025	5,175
9.....	4,725	4,875	5,025	5,175	5,325	5,475	5,625
10.....	5,175	5,325	5,475	5,625	5,775	5,925	6,075

(2) Charwomen working part time shall be paid at the rate of \$2,870 per annum, and head charwomen working part time at the rate of \$3,030 per annum.

SECTION 753 (e) OF TITLE 28, UNITED STATES CODE

(e) Each reporter shall receive an annual salary to be fixed from time to time by the Judicial Conference of the United States at not less than \$3,000 nor more than \$6,000 \$6,600 per annum. All supplies shall be furnished by the reporter at his own expense.

SECTION 2 (a) AND (b) OF THE ACT OF OCTOBER 24, 1951

SEC. 2. (a) Each officer and employee in or under the legislative branch of the Government (other than an employee in the office of a Senator) whose rate of compensation is increased by section 5 of the Federal Employees Pay Act of 1946 shall be paid additional compensation at the rate of 10 per centum of the aggregate rate of his basic compensation and the rate of the additional compensation received by him under sections 501 and 502 of the Federal Employees Pay Act of 1945, as amended, section 301 of the Postal Rate Revision and Federal Employees Salary Act of 1948, and the provisions under the heading "Increased pay for legislative employees" in the Second Supplemental Appropriation Act, 1950, except that (1) no such officer or employee shall be paid additional compensation at a rate less than \$300 per annum or in excess of \$800 per annum, and (2) employees paid on an hourly or part-time basis shall be paid additional compensation at the rate of 20 cents per hour.

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(b) The provisions of section 603 (b) of the Federal Employees Pay Act of 1945, as amended, section 7 (b) of the Federal Employees Pay Act of 1946, as amended, section 303 (c) of the Postal Rate Revision and Federal Employees Salary Act of 1948, and the provisions of paragraph (b) under the heading "Increased pay for legislative employees" in the Second Supplemental Appropriation Act, 1950, shall not apply to officers or employees subject to the provisions of subsection (a) or to employees in the offices of Senators, but no such officer or employee, or any other officer or employee of the Senate or House of Representatives, shall be paid with respect to any pay period basic compensation or basic compensation plus additional compensation at a rate in excess of **[\$11,646] \$12,810** per annum unless expressly authorized by law.

SECOND PROVISOR IN PARAGRAPH IN LEGISLATIVE BRANCH APPROPRIATION ACT, 1947, RELATING TO THE AUTHORITY OF SENATORS TO REARRANGE BASIC SALARIES OF EMPLOYEES IN THEIR RESPECTIVE OFFICES

Provided further, That no salary shall be fixed under this paragraph at a basic rate of more than \$5,880 per annum, except that the salary of one employee, other than the administrative assistant, in the office of each Senator may be fixed at a basic rate of not more than \$7,320 per annum and the salary of the administrative assistant to each Senator may be fixed at a basic rate of not more than \$8,400 per annum:]

PARAGRAPH DESIGNATED "FOLDING DOCUMENTS" UNDER HEADING "CONTINGENT EXPENSES OF THE SENATE" IN LEGISLATIVE APPROPRIATION ACT, 1955

Folding documents: For the employment of personnel for folding speeches and pamphlets at a gross rate of not exceeding **[\$1.50] \$1.65** per hour per person, \$27,000.

PARAGRAPH DESIGNATED "FOLDING DOCUMENTS" UNDER HEADING "CONTINGENT EXPENSES OF THE HOUSE" IN LEGISLATIVE APPROPRIATION ACT, 1955

Folding documents: For folding speeches and pamphlets, at a gross rate not exceeding **[\$2] \$2.20** per thousand or for the employment of personnel at a gross rate not exceeding **[\$1.50] \$1.65** per hour per person, \$125,000.

PARAGRAPH UNDER THE HEADING "INCREASED PAY FOR LEGISLATIVE EMPLOYEES" IN THE SECOND SUPPLEMENTAL APPROPRIATION ACT, 1950

INCREASED PAY FOR LEGISLATIVE EMPLOYEES

That (a) each officer or employee in or under the legislative branch of the Government [(other than an employee in the office of a Senator)] whose rate of compensation is increased by section 5 of the Federal Employees Pay Act of 1946 shall be paid additional compensation at the rate of 5 per centum of the aggregate rate of his basic compensation and the rate of the additional compensation received by him under sections 501 and 502 of the Federal Employees Pay Act of 1945, as amended, and section 301 of the Postal Rate Revision and Federal Employees Salary Act of 1948.

SECTION 66 OF THE FARM CREDIT ACT OF 1933

SEC. 66. No director, officer, or employee of the Central Bank for Cooperatives, or of any production credit corporation, production credit association, or bank for cooperatives shall be paid compensation at a rate in excess of **[\$13,800] \$14,800** per annum.

SECTION 8 (d) OF PUBLIC LAW 293, 79TH CONGRESS

(d) Any person, rated as a medical, surgical, or dental specialist under the provision of this section, shall receive, in addition to his basic pay, an allowance equal to 25 per centum of such pay: *Provided*, That in no event shall the pay plus the allowance authorized by this subsection exceed **[\$12,800] \$14,080** per annum.

ADDITIONAL VIEWS

These accompanying views are submitted to reiterate our firm conviction that the salary increase for classified Federal employees should be at least 8 percent, instead of the 7.5 percent provided for in the reported bill, and to make clear that agreement to report the bill does not alter that conviction. An increase of 8 percent is essential to maintain parity of salaries for postal and classified employees.

Aside from this fundamental difference, however, the reported bill is a constructive measure, and it is with a feeling of unmixed satisfaction that we contemplate the early completion, in the 1st session of the 84th Congress, of action to give both postal and classified employees of the Government their long-awaited salary increases—increases which the 83d Congress did not provide.

In our judgment, also, it is both appropriate and advisable at this time to take stock of the situation and to spread on the record the facts with respect to the salary increases for Federal employees which now are assured in this Congress.

It would be easy, in the first flush of enthusiasm, to overlook certain important factors which entered into the approval by the House Post Office and Civil Service Committee of this legislation to increase the salaries of our 1 million classified Federal employees. We should carefully note and remember, for future guidance, the long and often discouraging fight for fair pay adjustments for both postal and classified employees. Had it not been for this resolute struggle—all the way down from the very beginning in the 83d Congress to the present—there would have been no pay legislation for classified employees even remotely comparing in benefits to the reported bill.

Last year the administration proposed a bill, for example, which would have provided no increases at all in grades GS-1 and GS-2, a \$50 increase in GS-3, and a \$75 increase in GS-4. The proposal was heavily weighted in favor of the higher grades. It was not a "pay increase," but a readjustment of pay schedules, or "reclassification," to provide more money for higher positions. It ignored the needs of Federal employees and their entitlement to a fair salary adjustment.

The reported bill, in sharp contrast, will provide average raises of \$205 for each employee in grade GS-1, \$220 for each one in GS-2, \$235 for each one in GS-3, and \$255 for each one in GS-4—the salary grades where cost-of-living increases are most urgently needed. The difference in these grades, which include over 40 percent of classified employees, often is the difference between a reasonable standard of living and having to do without bare necessities of life.

This comparison is set forth completely in the schedule (exhibit A) following these views, which further demonstrates the greatly increased benefits of the reported bill over the original proposal.

We think it is entirely a fair statement to say that comparatively little of the benefits, amounting to nearly half a billion dollars for postal and classified employees together, would have been provided

without the long, hard fight for their rights—a fight in which we were proud to take part.

This year, the administration recommended an average increase for the great bulk of classified employees of 5 percent, as compared to the 7½ percent in the reported bill. These employees, therefore, will receive an average of nearly 50 percent more than the administration was willing to give even as late as last month, and some will receive as much as 80 percent more. This results from fairer distribution in the reported bill of the amount of the increase, which is applied to each step in each grade whereas the proposal last year would have given the biggest percentage increases to the entrance steps.

Our unalterable conviction that an 8-percent increase should be given each and every classified Federal employee to place his salary in proper relationship to those of postal workers is based first of all upon the record of salary legislation for these two groups over the past quarter century. We feel that the great majority of Members of the House of Representatives share this opinion.

During the period from 1926 to the end of World War II in 1945 postal workers lagged far behind in pay increases. In what was probably an effort to make up for this unfortunate treatment, the tendency of Congress beginning in 1945 has been to grant postal employees salary increases somewhat higher than those granted classified Federal employees. The overall record (see exhibit B), however, discloses that as of the present time a relatively fair and balanced relationship has been achieved between salaries of postal and classified workers. One example, evidencing the intent of Congress to maintain this balanced relationship, was the \$120 increase granted each postal employee in November 1949, immediately after the Classification Act of 1949 granted upward adjustments averaging \$140 for each classified employee.

This policy of Congress to establish and continue a definite relationship between the salaries of postal and classified Federal employees is both equitable and practicable. To disturb it now is most inadvisable as well as unfair.

As a matter of fact, in this connection, any contention that postal workers have received only an 8-percent increase is erroneous. Some 65 percent of the postal employees actually received increases averaging 8.3 percent or better. City carriers, distribution clerks, window clerks, and motor-vehicle operators will receive increases averaging 8.35 percent. Postmasters and supervisors will receive a much higher average increase, as shown in the appendix which is a part of the minority views printed in House Report No. 224, accompanying H. R. 4644. We are reasonably certain, moreover, that when the budget figures are presented next January it will be found that the postal pay increase costs 8.4 percent of payroll or even more—a far cry from the 8-percent figure now contended.

Thus, without in any way implying that such increases for postal workers are excessive—for we fought for higher increases and know they are richly deserved—it is apparent, nevertheless, that if the 7.5-percent increase for classified employees is finally approved it will create a new and unjustified lag in their salaries as compared with those of postal employees. If this is done, it is not only possible but probable that Congress in the near future will be faced with the necessity of correcting this inequity.

Nor is our support of an 8-percent increase founded on equitable considerations alone. Classified Federal employees have fully earned such an increase. Along with postal employees, they have contributed a major share to keeping the cost of Government at a reasonable figure by redoubling their efforts and increasing their efficiency and productivity. They have not received proper recognition in terms of salary adjustments over the past number of years. The result has forced them to fall far behind in the economic scale as well as the cost-of-living scale. This legislation will at least partly rectify the situation. We have agreed, therefore, to report the bill with the 7.5-percent increase in order to bring the measure to the floor without unnecessary delay, although we remain strongly convinced that the increase should be 8 percent to do full justice to our classified Federal employees. We accordingly reserve our rights to continue seeking that objective.

JOHN E. MOSS, Jr.
DANTE B. FASCELL.
CHET HOLIFIELD.
T. JAMES TUMULTY.
GRACIE FROST.
JOEL T. BROYHILL.
GEORGE M. RHODES.
JAMES H. MORRISON.
JOHN LESINSKI.

EXHIBIT A.—Comparison of reported bill and earlier salary proposal

Grade and step	Reported bill			Administration's first bill		
	Employees	Increase (7.5 per cent in each step)	Amount	Increase	Percent	Amount
GS-1:						
Step 1.....	3,605	\$190	\$684,950	None	None	None
Step 2.....	597	195	116,415	None	None	None
Step 3.....	349	200	69,800	None	None	None
Step 4.....	312	205	63,960	None	None	None
Step 5.....	189	210	39,690	None	None	None
Step 6.....	219	215	46,085	None	None	None
Step 7.....	1,016	220	223,520	None	None	None
GS-2:						
Step 1.....	31,228	205	6,399,740	None	None	None
Step 2.....	12,739	210	2,675,190	None	None	None
Step 3.....	9,982	215	2,146,130	None	None	None
Step 4.....	9,325	220	2,051,500	None	None	None
Step 5.....	5,722	225	1,287,460	None	None	None
Step 6.....	6,368	230	1,464,640	None	None	None
Step 7.....	21,761	235	5,113,835	None	None	None
GS-3:						
Step 1.....	36,659	220	8,064,980	\$50	1.69	1,832,950
Step 2.....	26,151	225	5,883,975	50	1.65	1,307,550
Step 3.....	23,652	230	5,430,960	50	1.60	1,182,600
Step 4.....	17,582	235	4,131,770	50	1.56	879,100
Step 5.....	12,442	240	2,986,080	50	1.52	622,100
Step 6.....	15,216	245	3,727,920	50	1.47	760,800
Step 7.....	49,940	250	12,485,000	50	1.43	2,497,000
GS-4:						
Step 1.....	20,016	240	4,803,840	75	2.36	1,501,200
Step 2.....	17,553	245	4,300,485	75	2.30	1,316,475
Step 3.....	13,998	250	3,499,500	75	2.25	1,049,850
Step 4.....	10,493	255	2,675,715	75	2.20	789,975
Step 5.....	9,983	260	2,595,580	75	2.14	748,725
Step 6.....	14,861	265	3,938,165	75	2.09	1,114,575
Step 7.....	35,653	270	9,626,310	75	2.04	2,673,975

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EXHIBIT A.—Comparison of reported bill and earlier salary proposal—Continued

Grade and step	Reported bill			Administration's first bill		
	Employees	Increase (7.5 per cent in each step)	Amount	Increase	Percent	Amount
GS-5:						
Step 1.....	15,072	255	\$3,843,360	\$190	5.54	\$2,863,680
Step 2.....	12,277	265	3,253,405	190	5.37	2,332,630
Step 3.....	11,407	275	3,136,925	190	5.19	2,167,330
Step 4.....	13,489	285	3,844,365	190	5.02	2,562,910
Step 5.....	10,527	295	3,105,465	190	4.85	2,000,130
Step 6.....	8,226	305	2,508,930	190	4.67	1,562,940
Step 7.....	22,600	315	7,119,000	190	4.50	4,294,000
GS-6:						
Step 1.....	5,253	285	1,497,105	205	5.40	1,076,865
Step 2.....	4,773	295	1,408,035	205	5.23	978,465
Step 3.....	4,192	305	1,278,560	205	5.06	850,360
Step 4.....	3,865	315	1,217,475	205	4.89	792,325
Step 5.....	4,232	325	1,375,400	205	4.72	867,560
Step 6.....	4,051	335	1,357,085	205	4.55	830,455
Step 7.....	10,321	345	3,560,745	205	4.38	2,115,805
GS-7:						
Step 1.....	18,347	315	5,779,305	195	4.63	3,571,665
Step 2.....	14,837	325	4,822,025	195	4.50	2,893,215
Step 3.....	11,539	335	3,865,565	195	4.37	2,250,105
Step 4.....	10,133	345	3,495,885	195	4.24	1,975,935
Step 5.....	6,500	355	2,307,500	195	4.11	1,267,500
Step 6.....	6,543	365	2,388,195	195	3.98	1,275,885
Step 7.....	20,877	375	7,828,875	195	3.85	4,071,015
GS-8:						
Step 1.....	3,105	345	1,071,225	180	3.89	558,000
Step 2.....	2,944	355	1,045,120	180	3.79	529,920
Step 3.....	2,355	365	859,575	180	3.69	423,900
Step 4.....	2,360	375	885,000	180	3.59	442,800
Step 5.....	3,653	385	1,406,405	180	3.49	657,540
Step 6.....	1,973	395	779,335	180	3.39	355,140
Step 7.....	5,162	405	2,090,610	180	3.29	929,160
GS-9:						
Step 1.....	16,191	380	6,152,580	240	4.74	3,885,840
Step 2.....	15,498	390	6,044,220	240	4.63	3,719,520
Step 3.....	10,649	400	4,250,600	240	4.52	2,555,760
Step 4.....	9,439	410	3,860,990	240	4.41	2,265,360
Step 5.....	5,768	420	2,422,560	240	4.30	1,384,320
Step 6.....	4,876	430	2,096,680	240	4.19	1,170,240
Step 7.....	16,069	440	7,070,360	240	4.08	3,856,560
GS-10:						
Step 1.....	2,363	415	979,645	300	5.45	708,900
Step 2.....	1,883	430	809,600	300	5.33	564,900
Step 3.....	2,105	445	936,725	300	5.21	631,500
Step 4.....	1,518	460	698,280	300	5.09	455,400
Step 5.....	2,035	475	965,625	300	4.97	610,500
Step 6.....	1,344	490	658,560	300	4.85	403,200
Step 7.....	2,468	505	1,246,340	300	4.73	740,400
GS-11:						
Step 1.....	17,034	445	7,580,130	460	7.74	7,838,640
Step 2.....	12,608	460	5,799,080	460	7.49	5,799,680
Step 3.....	7,623	475	3,410,925	460	7.25	3,606,580
Step 4.....	5,317	490	2,605,330	460	7.01	2,445,820
Step 5.....	2,980	505	1,509,950	460	6.76	1,376,400
Step 6.....	7,005	520	3,642,600	460	6.51	3,222,300
GS-12:						
Step 1.....	8,920	530	4,727,600	460	6.53	4,109,200
Step 2.....	9,261	545	5,017,245	460	6.35	4,280,060
Step 3.....	5,968	560	3,340,080	460	6.18	2,745,280
Step 4.....	3,185	575	1,831,375	460	6.02	1,465,100
Step 5.....	2,165	590	1,277,350	460	5.87	995,900
Step 6.....	5,433	605	3,286,965	460	5.73	2,499,180
GS-13:						
Step 1.....	6,485	625	4,053,125	440	5.26	2,853,400
Step 2.....	5,775	640	3,696,000	440	5.14	2,541,000
Step 3.....	3,520	655	2,305,600	440	5.02	1,545,800
Step 4.....	1,786	670	1,196,620	440	4.90	735,840
Step 5.....	1,328	685	909,650	440	4.78	584,320
Step 6.....	2,858	700	2,000,600	440	4.66	1,257,520
GS-14:						
Step 1.....	2,623	720	1,888,560	600	6.25	1,573,800
Step 2.....	2,451	735	1,801,455	600	6.12	1,470,600
Step 3.....	1,432	750	1,074,000	600	6.00	859,200
Step 4.....	655	765	501,075	600	5.88	393,000
Step 5.....	450	780	341,000	600	5.76	270,000
Step 6.....	1,121	795	891,195	600	5.64	672,600

FEDERAL EMPLOYEES SALARY INCREASE ACT OF 1955 35

EXHIBIT A.—Comparison of reported bill and earlier salary proposal—Continued

Grade and step	Reported bill			Administration's first bill		
	Employees	Increase (7.5 per cent in each step)	Amount	Increase	Percent	Amount
GS-15:						
Step 1.....	1,285	810	\$1,040,850	\$800	7.40	\$1,028,000
Step 2.....	1,044	830	866,520	800	7.24	835,200
Step 3.....	706	850	600,100	800	7.08	564,800
Step 4.....	93	870	80,910	800	6.92	74,400
Step 5.....	922	890	820,680	800	6.76	737,600
GS-16:						
Step 1.....	169	900	152,100	800	6.66	135,200
Step 2.....	124	915	113,460	600	4.91	74,400
Step 3.....	145	930	134,850	400	3.19	58,000
Step 4.....	11	945	10,395	200	1.58	2,200
Step 5.....	18	960	17,280	None		
GS-17:						
Step 1.....	96	975	93,600	800	6.15	76,800
Step 2.....	48	990	49,520	600	4.54	28,800
Step 3.....	27	1,005	27,135	400	2.98	10,800
Step 4.....	1	1,020	1,020	200	1.50	200
Step 5.....	7	820	5,740	None		
GS-18.....	81	None	None	None	None	None
Total.....	874,245		280,615,745			146,427,030

EXHIBIT B

RECENT SALARY INCREASES FOR FEDERAL CLASSIFIED AND POSTAL EMPLOYEES

1. Effective July 1, 1945, under Public Law 134, 79th Congress, postal employees paid on an annual basis received an increase of \$400 annually, with proportionate increases for hourly employees and fourth-class postmasters.

2. Effective January 1, 1946, under Public Law 386, 79th Congress, approved May 21, 1946, postal employees paid on an annual basis received an increase of \$400 annually, hourly employees received an increase of 20 cents an hour, and fourth-class postmasters received a 20-percent increase.

3. Effective June 30, 1948, under Public Law 900, 80th Congress, postal employees paid on an annual basis received an increase of \$450 annually, hourly employees received an increase of 25 cents an hour, and fourth-class postmasters received a 25-percent increase.

4. Effective November 1, 1949, under Public Law 428, 81st Congress, postal employees paid on an annual basis received an increase of \$120 a year, hourly employees received an increase of 2½ cents an hour, and fourth-class postmasters received a 5-percent increase. (Also, this act raised the entrance salary for regular employees by \$200 and provided an additional \$100 increase for temporary employees after 1 year's service. Three longevity grades were created for those who were not granted such grades under Public Law 134, 79th Cong.)

5. Effective July 1, 1951, under Public Law 204, 82d Congress, approved October 24, 1951, postal employees paid on an annual basis received \$400 annually, hourly employees received 20 cents an hour, the first 2 grades were eliminated, and employees who had not received at least 2 administrative advancements in automatic grades and who had entered the postal service after July 1, 1945, received either a 1- or 2-grade advancement. Postmasters and supervisors salaries were reclassified except for fourth-class postmasters who received a 20-percent increase on their present salaries. Rural carriers received a 1-cent-a-mile additional equipment allowance and the Postmaster General was authorized to grant equipment maintenance allowances not to exceed \$3 a day for heavy-duty routes.

FEDERAL EMPLOYEES (CLASSIFIED AND OTHERS)

1. Effective July 1, 1945, under Public Law 106, 79th Congress, Federal employees received a pay increase as follows: 20 percent on the first \$1,200, 10 percent on the next \$3,400, and 5-percent on the remainder, subject to a \$10,000 ceiling. The average increase was 15.9 percent (range from 20 to 8.9 percent).

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2. Effective July 1, 1946, under Public Law 390, 79th Congress, Federal employees received increases as follows: A 14-percent increase with a minimum of \$250, subject to a \$10,000 ceiling. Average increase was 14.2 percent (range from 25 to 2 percent at ceiling).

3. Effective June 30, 1948, under Public Law 900, 80th Congress, Federal employees received an increase annually of \$330. Average increase was 11 percent (range from 30.6 to 3.3 percent).

4. Effective October 28, 1949, under Public Law 429 (Classification Act of 1949), 81st Congress, Federal employees received pay increases averaging \$140 annually. Individual increases ranged from 7.1 percent to 6.5 percent and the overall salary average under the Classification Act was increased by 4 percent. Three additional grades were created: GS-16, \$11,200; GS-17, \$12,200; and GS-18, \$14,000.

5. Effective on the first day of the first pay period beginning after June 30, 1951, under Public Law 201, 82d Congress, approved October 24, 1951, Federal employees received a 10-percent increase with a \$300 minimum and an \$800 maximum annually. Increase ranged from 19.8 to 5.7 percent. Average increase, 10 percent.

ADDITIONAL VIEWS BY MR. GUBSER

I believe that the salary increase for classified Federal employees should be at least 8 percent and so voted during the sessions of the Committee on Post Office and Civil Service. However, I strongly urge passage of H. R. 6511 as reported from the committee. Its immediate passage will forestall any further delay in granting this much-needed increase in pay.

CHARLES S. GUBSER.

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